

FBIS

DAILY REPORT

CONTENTS

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PRC INTERNATIONAL AFFAIRS

GENERAL

XINHUA on Outlook for London Economic Summit	A	1
PRC Group Leaves for International Labor Meeting	A	2
Chen Muhua Meets Customs Cooperation Group	A	2

SOVIET UNION

Film Delegation Attends Festival in Soviet Union	C	1
Wang Bingnan-Led Delegation Visits Soviet Resort [Moscow]	C	1
USSR's Tikhonov on Economic Cooperation Summit	C	1

NORTHEAST ASIA

Documentary of Hu Yaobang's DPRK Visit Presented	D	1
DPRK Paper Hails Kim Chong-il's PRC Visit	D	1
Sports Delegation Concludes Visit to DPRK	D	2
Science, Technology Delegation Leaves for DPRK	D	2
Deng Liqun Meets With Japanese Writer	D	2
Wang Zhen Meets Japanese Friendship Group	D	2

SOUTHEAST ASIA & PACIFIC

SRV Troops Continue Border 'Provocations'	E	1
Commentary Reviews SRV-Kampuchean Situation [RENMIN RIBAO 23 May]	E	1
Zhao Ziyang Letter Views Hong Kong After 1997	E	3
Chen Muhua Greet Australian Trade Minister	E	4
Australian Prime Minister Meets Qinghai Group	E	4

WESTERN EUROPE

Further on Zhao Ziyang's West Europe Visit	G	1
Meets Embassy Personnel in Paris	G	1
Attends Paris Reception	G	1
Holds Talks With Mitterrand	G	2
Further on Talks	G	2
Honored by University	G	3
Attends Fete	G	3
Gives Press Conference	G	4
Discusses Disarmament	G	4
On European Peace Movement	G	4
Views Arms Talks	G	5
Stresses Open-Door Policy	G	5
Discusses Hong Kong Issue	G	5
Talks to French Businessmen	G	6

EASTERN EUROPE

Romania's Deputy Prime Minister Visits PRC	H 1
Arrives in Beijing	H 1
Attends Banquet	H 1
Meets Song Ping	H 1
Meets With Chen Muhua	H 1
Makes Trade Agreements	H 2
CPPCC Delegation Continues Romania Visit	H 2
Meets President Ceausescu	H 2
Concludes Visit	H 3
Returns to Beijing	H 3
Polish Culture Minister on PRC Cooperation	H 3

MIDDLE EAST & AFRICA

Moroccan Envoy's Reception Marks Jerusalem Day	I 1
Further Reportage on Li Peng African Tour	I 1
Talks With Mauritanian Leaders	I 1
PRC-Mauritania Pact Signed	I 2
Departs Mauritania	I 2
Reviews Trip	I 2
Meeting With Senegal Leader	I 3

WESTERN HEMISPHERE

Ulanhu Fetes Guyanese Vice President Hoyte	J 1
Jilin Delegation Leaves for Canada Visit	J 1

PRC NATIONAL AFFAIRS

'Text' of Finance Minister's Report to NPC	K 1
Editorial Hails Conclusion of NPC Session	K 10
[RENMIN RIBAO 1 Jun]	
NPC Resolution on Government Work Report	K 12
Presidential Decree on Regional Autonomy Law	K 13
Presidential Decree on Military Service Law	K 13
Yang Dezhi Interviewed on Military Service Law	K 13
[ZHONGGUO QINGNIAN BAO 24 May]	
Ulanhu Addresses Gathering on New Autonomy Law	K 18
HONGQI Article Says PRC Wants Peace, Not War [1 Jun]	K 19
Hu Qiaomu Recommends Article in CYL Paper	K 20
[RENMIN RIBAO 30 May]	
RENMIN RIBAO Carries HONGQI Table of Contents [30 May]	K 21

PRC REGIONAL AFFAIRS

EAST REGION

'People of 3 Categories' in Shandong Disciplined	O 1
[RENMIN RIBAO 25 May]	
Su Yiran Attends Shandong Film Prize Party	O 3
Wang Fang Reports on Zhejiang Party Rectification	O 3
Kuomintang Special Agent Arrested in Zhejiang	O 5

NORTH REGION

Bu He Government Work Report Urges Reform	R	1
Economic, Social Development Draft Plan Reported	R	3
Zhou Hui on Reform	R	4

NORTHEAST REGION

Li Lian Attends Heilongjiang Children's Day Event	S	1
Jilin Issues New Women's Publication 1 Jun	S	1
Qiang Xiaochu Visits Jilin Agricultural Academy	S	1
Guo Feng Examines Liaoning CPC Committee Work	S	2

PRC MEDIA ON TAIWAN AFFAIRS

Beijing Radio on '1 Country, 2 Systems' Policy	U	1
Commentary Denies CPC Supports Taiwan Independence	U	2

XINHUA ON OUTLOOK FOR LONDON ECONOMIC SUMMIT

OW031129 Beijing XINHUA in English 1045 GMT 3 Jun 84

["Outlook for London Summit; "(By Yang Yi)" -- XINHUA headline]

[Text] London, June 1 (XINHUA) -- An optimistic note was detected early this year in what was said of the forthcoming 10th summit of seven Western nations in London as the U.S. economy continued to grow and that of Western Europe evidently got onto the road to recovery. With the summit approaching nearer, however, the optimistic tone appears to have changed. No "economically significant outcome" can be expected from the summit, the FINANCIAL TIMES noted. Observers here have pointed out that the resolutions made at last year's summit in Williamsburg to curb trade protectionism and stabilize international financial system have not materialized and the economies of various countries have developed in an unbalanced way. The U.S. policy of "three highs" (high deficit, high interest rates, and high exchange rate of the U.S. dollar) has provoked widespread discontent among its allies. They argued that this policy has not only hampered the economic growth of Western countries but also affected the economic recovery of Third World countries and, in the final analysis, has upset the economic development of the West as a whole. Therefore, they pointed out, the problems the summit is to grapple with this time are the same old pairs of shoes, primarily keeping up the momentum of the economic recovery, alleviation of the deteriorating debt crisis and removal of trade and tariff barriers.

Federal German Finance Minister Gerhard Stoltenberg recently criticized the U.S. economic policy for "casting a long shadow over world economy." The European countries complained that the unprecedentedly high U.S. financial deficit of 200 billion dollars this year, its trade deficit of 130 billion and its 12.5 percent interest rate will further siphon their capital to the United States, thus forcing them to follow suit, putting a brake on their economic growth. The Reagan administration, while faced with presidential elections this year, has no intention of modifying its policy. Instead, it puts the blame on European countries for their "rigidity in their economies", too much meddling by government in business and their failure in competition with the United States.

Meanwhile, the U.S. policy of high interest rates has plunged developing countries into a deeper debt crisis, heaping on them a debt burden of 800 billion dollars, thus giving rise to worldwide misgivings. Hardest-hit are Latin American countries who take up nearly half of the total debt. Heavily-indebted Third World countries, unable to pay their debts have been forced to get united and ask Western countries to reduce interest rates and ease restrictions on their exports. One such signal might be the announcement by the Bolivian Government on May 30 to suspend repayment to foreign banks. The debt crisis has recently affected the American and Western banking system, leading further to disorder in the international financial system. The Western creditors, though having acknowledged the seriousness of the problem, are unwilling to carry out a long-term and comprehensive reform in this respect, because they have no intention of giving up their exploitation of Third World nations. This is believed to be one of the reasons that the Third World countries generally are not interested in the London summit.

World trade issues have remained unsettled. The industrialized countries have each advocated a free trade and removal of tariff barriers while in fact are persisting in their policy of protectionism. Fierce fights are growing between the United States, Japan, and Western Europe in trade of agro-products, textiles, automobiles, iron and steel and electronics. The U.S. and Japan proposed a new round of international negotiations on the general agreement on tariff and trade, so to reduce and withdraw tariffs and other trade barriers. This proposal however was turned down by West European countries. Economic experts here pointed out the world trade will undoubtedly shrink and a predicted 5-6 percent growth will not be realized if the seven nations do not open their markets genuinely.

Apart from economic issues, the summit will discuss the international situation, especially East-West relations. The United States and its West European allies differ greatly in their strategy, trade policies and technological transfer to the Soviet Union. Though the Western nations support the United States in counterbalancing the Soviet Union, they however are deeply worried about a long-frozen U.S.-Soviet relationship. They hope Washington and Moscow could resume negotiations. They will also discuss escalation of Iran-Iraq war, repeated attacks on oil tankers of third countries and a possible blockade of the oil route in the Gulf which may lead to another oil shortage and oil price spiral.

It is generally believed here that the long-standing conflicts among the seven industrialized countries cannot be solved easily and therefore it will be very hard for the summit to reach any substantive agreement. However, there is little likelihood of the summit reaching an impasse in view of the fact that each participating country now has a better economic situation and that they want to show unity and take into account President Reagan's efforts for re-election this year.

PRC CROUP LEAVES FOR INTERNATIONAL LABOR MEETING

OW010909 Beijing XINHUA in English 0742 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- A Chinese delegation led by Li Yunchuan, vice minister of labor and personnel, left here this morning for Geneva, Switzerland, to attend the 70th session of the international labor conference of the International Labor Organization (ILO) to be held June 6-27. The conference will discuss the formulation and monitoring of international labor standards, employment policy and occupational health services.

CHEN MUHUA MEETS CUSTOMS COOPERATION GROUP

OW300809 Beijing XINHUA in English 0755 GMT 30 May 84

[Text] Beijing, May 30 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, this morning met and had a friendly conversation with a delegation from the Customs Cooperation Council led by its Secretary-General G.R. Dickerson. The council is an international governmental organization with a membership of 95. China joined the council in July 1983.

FILM DELEGATION ATTENDS FESTIVAL IN SOVIET UNION

OW031650 Beijing XINHUA in English 1643 GMT 3 Jun 84

[Text] Moscow, June 3 (XINHUA) -- The 8th Asia-Africa-Latin America International Film Festival ended in Tashkent yesterday after the nine-day showing of more than 250 features, documentaries and animated cartoons.

China, together with nearly 100 countries, the United Nations and some other international organizations participated in the festival. The Chinese delegation headed by writer Wang Meng, the first film delegation to the festival, presented the audience with two films: the feature "Youth Everlasting" and the documentary "The Joyous Big Family". The festival never gives award, but some Soviet social organizations have offered awards to some good films including "Youth Everlasting."

On June 1, Vice Chairman of the USSR State Committee for Cinematography Kostikov received the Chinese delegation and extended his welcome to it. The delegation went to Georgia for a visit after the ending of the festival.

WANG BINGNAN-LED DELEGATION VISITS SOVIET RESORT

OW311536 Moscow in Mandarin to China 1230 GMT 31 May 84

[Text] The visiting delegation of the Chinese People's Association for Friendship With Foreign Countries and the China-USSR Friendship Association headed by Wang Bingnan arrived in Sochi, a resort by the Black Sea.

On 30 May, (Kuzminko), first deputy chairman of the Sochi Executive Committee, received the members of the delegation. He welcomed the Chinese guests to visit Sochi, the largest resort in the USSR, and briefed the Chinese guests about the services in Sochi that are available to Soviet workers. He said that each year, Sochi's health and traveling centers received over 4 million Soviet citizens and 200,000 foreign guests from more than 120 countries. (Kuzminko) also briefed the Chinese guests about Sochi's future development plan.

Wang Bingnan, head of the Chinese delegation, expressed thanks on behalf of his delegation for being invited to visit Sochi and for the warm reception the delegation members have received in Sochi and other places in the USSR.

USSR'S TIKHONOV ON ECONOMIC COOPERATION SUMMIT

OW011856 Beijing XINHUA in English 1848 GMT 1 Jun 84

[Text] Moscow, June 1 (XINHUA) -- The forthcoming summit of the Council for Mutual Economic Assistance (Comecon) will discuss issues relating to the international division of labour and economic integration among its members, Chairman of the Soviet Council of Ministers Nikolay Tikhonov said here today. The long-delayed Comecon summit will take place in Moscow later this month.

Tikhonov made the announcement when he was addressing the opening of a Bulgarian trade and industrial exhibition. He emphasized that under the "sharply aggravated international situation," Comecon members should "enhance the effectiveness of our foreign policy cooperation." Bulgarian leader Todor Zhivkov, who has come for the opening ceremony, said that while the Bulgarian people have every reason to be proud of their achievements, they still have their own difficulties.

DOCUMENTARY OF HU YAOBANG'S DPRK VISIT PRESENTED

OW011730 Beijing XINHUA in English 1654 GMT 1 Jun 84

[Text] Pyongyang, June 1 (XINHUA) -- A color documentary film about the official visit of General Secretary Hu Yaobang to Korea was presented by the Central Committee of the Workers' Party of Korea (WPK) to the Central Committee of the Chinese Communist Party at a ceremony here today. At the ceremony Hyon Chun-kuk, first vice director of the International Affairs Department of the WPK Central Committee, presented the film to the Chinese Ambassador to Korea Zong Kewen.

The film was produced by the Korean Documentary Film Studio. It lasts one hour and 25 minutes, revealing the vivid scenes of the grand and enthusiastic hospitality accorded Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, by the Korean people wherever he went during his visit. The film will be broadcast by Korea's Central Television station tomorrow.

DPRK PAPER HAILS KIM CHONG-IL'S PRC VISIT

OW022038 Beijing XINHUA in English 2002 GMT 2 Jun 84

[Text] Pyongyang, June 2 (XINHUA) -- The visit by Comrade Kim Chong-il, member of the Presidium of the Political Bureau, and secretary of the Central Committee of the Workers' Party of Korea, to China last year was an epochal event of particular significance in the history of the Korea-China friendship, NODONG SINMUN said in an editorial today.

Kim Chong-il visited China for 10-odd days from June 2 last year at the invitation of Comrade Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party. Comrade Kim Chong-il's visit to China which demonstrated the militant friendship and unity between the parties and peoples of Korea and China became a new landmark in bringing the Korea-China friendship into full bloom forever, the editorial said. The Korea-China friendship is a noble friendship with a long-standing historic tradition of more than half a century and a great friendship which has been brought into bloom generation after generation, the editorial added. It said that the glorious tradition of the friendship between Korea and China which sincerely help, and closely support and cooperate with each other with utmost efforts, sharing weal and woe together has been provided by the great leader Comrade Kim Il-song together with the Chinese party and state leaders.

"Today the frequent mutual visits of the leaders of the two countries have become traditional and, in this course, intimacy between them has been further deepened and the Korea-China friendship has been embroidered more beautifully," it said. "Comrade Hu Yaobang's visit to our country greatly contributed to bringing into fuller bloom the traditional Korea-China friendship which is making a deep-going development on a new, higher stage, further strengthening the revolutionary unity between the two peoples and increasing the anti-war peace-loving forces in Asia and the world," the editorial said. "Today the fraternal Chinese people are vigorously striving to realize the programme of socialist modernisation set forth by the 12th National Congress of their party, firmly rallied around the Communist Party of China and registering great success day by day," it said.

SPORTS DELEGATION CONCLUDES VISIT TO DPRK

OW021508 Beijing XINHUA in English 1444 GMT 2 Jun 84

[Text] Pyongyang, June 2 (XINHUA) -- The Chinese sports delegation led by Li Menghua, minister in charge of the Chinese Physical Culture and Sports Commission, left here for home at noon today after its visit to the Democratic People's Republic of Korea. Li Menghua and his party arrived here on May 25. During their stay in the DPRK, the guests visited Pyongyang, Wonsan and Kaesong.

SCIENCE, TECHNOLOGY DELEGATION LEAVES FOR DPRK

OW011411 Beijing XINHUA in English 1159 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- A Chinese scientific and technological cooperation delegation led by Dong Zhiyong, vice minister of forestry left here yesterday for the Democratic People's Republic of Korea to attend the 24th meeting of the Committee for Scientific and Technological Cooperation between China and the DPRK, scheduled to open in Pyongyang today.

DENG LIQUN MEETS WITH JAPANESE WRITER

OW290941 Beijing XINHUA in English 0853 GMT 29 May 84

[Text] Beijing, May 29 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee and head of its Propaganda Department, met here today with Japanese writer Tokoyo Yamasaki. Yamasaki plans to stay for half a year and write a novel about China. During the talk at the Great Hall of the People, Deng briefed her on China's current situation and policies, and suggested that she visit people of all walks of life on her forthcoming tour. Yamasaki arrived here on May 16 at the invitation of the Chinese Academy of Social Sciences for her third China visit. Her works, "The Glorious Family" and "The Great White Tower," have been translated into Chinese and published here. The film version of the first novel is a favorite among Chinese audiences.

WANG ZHEN MEETS JAPANESE FRIENDSHIP GROUP

OW011612 Beijing XINHUA in English 1437 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- Wang Zhen, member of the Political Bureau of the Central Committee of the Chinese Communist Party, met here this afternoon with a friendship delegation composed of people related to Hyosuke Kujiraoka, member of the House of Representatives of Japan. The honorary leader of the delegation is Hyosuke Kujiraoka and the leader of the group Masami Takahashi.

Wang Zhen, also honorary president of the China-Japan Friendship Association, had a friendly talk with the delegation. Sun Pinghua, vice president of the China-Japan Friendship Association, was present on the occasion.

SRV TROOPS CONTINUE BORDER 'PROVOCATIONS'

OW011235 Beijing XINHUA in English 1218 GMT 1 Jun 84

[Text] Kunming June 1 (XINHUA) -- Vietnamese troops recently conducted repeated armed provocations on the Chinese border in Yunnan, killing peasants and destroying property.

On May 14, Vietnamese troops fired several hundred rounds in the Gantian, Yaoliu and Tongta areas of Malipo County, destroying most of the houses in Gantian. Since then they have fired more than 3,000 shells at Yunnan border villages, killing and wounding more than 20 Chinese civilians. In the period May 16-19, Vietnamese troops bombarded villages in the Chuantou area of Malipo County. More than 1,200 shells were fired, wounding 3 villagers. On May 17, Vietnamese troops intruded into the Laoka area in the Hekou Yao Autonomous County and fired at local people, killing two. At 19:30 p.m., May 20, Vietnamese artillery fired nearly 100 rounds of Nanlang and Gantian Villages in the Chuantou area of Malipo County, killing and wounding six peasants and 30 animals, and destroying trucks and houses.

May 21-25, Vietnamese troops bombarded densely populated villages in Xinzhai, Nama and Tianbao, and shelled a bridge in Chuantou. On May 23, armed Vietnamese troops crossed into Zheyinshan, Malipo County, and abducted two peasants working in the fields. At noon, May 26, Vietnamese troops fired nearly 100 shells at Malin Village in Malipo County, destroying four houses and killing a number of oxen. On the same day, several hundred shells hit the Laoshan area of Malipo County, killing several farm animals and damaging houses. On May 27, Vietnamese troops shelled Gantian, Nanlang, Mahei and Xiaoping Villages in Malipo County, destroying houses and crops.

On May 28, Vietnamese troops fired more than 100 shells into the Jiaozhicheng area of Malipo County, killing several animals. Between 5 p.m., May 30 and 6 a.m., May 31, Vietnamese troops fired more than 50 shells at the Balihe and Chuantou areas of Malipo County, and strafed the Laoshan area with anti-aircraft guns.

The Vietnamese repeated provocations and raids were met with powerful counter-shelling from Chinese frontier guards.

[Beijing XINHUA Domestic Service in Chinese at 0759 GMT on 1 June carries a report on Vietnamese troops' activity on the Chinese border and renders the above passage as follows: "The Vietnamese repeated provocations and raids in disregard of the Chinese Government's repeated warnings and were met with powerful countershelling from Chinese frontier guards."]

COMMENTARY REVIEWS SRV-KAMPUCHEAN SITUATION

HK231205 Beijing RENMIN RIBAO in Chinese 23 May 84 p 6

["Commentary" by Wang Zhiguang: "New Changes in the Situation on the Kampuchean Battlefield"]

[Text] The sixth dry season offensive launched by the Vietnamese authorities on the Kampuchean battlefield once again ended in failure. The bulletin of the results of the sixth dry season, which was issued by the headquarters of the Democratic Kampuchean national forces, showed that the situation on the Kampuchean battlefield is continuing to develop in favor of the Kampuchean people and that there have appeared new and spectacular changes.

Since the beginning of the dry season, the Vietnamese authorities, drawing a lesson from their failures in the previous five dry season offensives, have delayed the launching of a military offensive and turned to launching a "diplomatic offensive." By using, political and diplomatic tricks, they attempted to create a false impression to deceive world opinion, in order to achieve the purpose of occupying Kampuchea and eliminating the anti-Vietnamese armed forces. At the end of last January, the Vietnamese authorities held "foreign minister conference of Indochina in Vientiane the 8th, pointing out five "possible developments" in the situation of Southeast Asia and calling on ASEAN countries to respect Vietnam's "interests" and to hold so-called "grouping dialogues" between the "Indochinese countries" and ASEAN countries. In February, by taking advantage of a visit paid by some Indonesian officials to Vietnam, Vietnam once again played the old tune of "China's threat, in an attempt to split ASEAN countries and achieve its treacherous purpose." In March, Nguyen Co Thach first went to Indonesia and afterwards to Australia to carry out his activities. On the one hand, he hypocritically said that Vietnam "would take a more realistic attitude" and that Vietnam "promises not to invade ASEAN countries." On the other hand, he totally rejected a proposal raised by ASEAN countries for Vietnam to "withdraw its Army from one area after another" and treated the elimination of the "Khmer Rouge" as the "prime issue" in its discussions with ASEAN. This fully indicates that on the Kampuchean issue, the Vietnamese authorities have obstinately clung to their policy of aggression and expansion and have not the slightest intention of settling the issue. A newspaper in Singapore sharply pointed out: "All diplomatic activities of Hanoi serve only one purpose, that is, to legitimate the 'fact' of its occupation (of Kampuchea)." After the so-called "diplomatic activities" of the Vietnamese authorities were exposed and repudiated by the leaders of the Democratic Kampuchea, ASEAN countries, and world opinion, Nguyen Co Thach felt apprehensive as he realized that justice was not on his side, and had to return to Hanoi depressed.

It was precisely at the time when the Vietnamese authorities were racking their brains to play political tricks, and were cherishing the illusion of obtaining at the conference table what they could not get of the battlefield, that the Patriotic Armed Forces of Democratic Kampuchea initially launched attacks on key military areas of the Kampuchean battlefield, winning great victories. During the dry season, the anti-Vietnamese forces of Democratic Kampuchea attacked, and once occupied, the capitals of 6 provinces and nearly 30 counties, including Battambang, Kampuchea's second largest city; Siem Reap, the command center and logistics base of the Vietnamese Army for launching dry season offensives every year; Pursat and Kompong Thom, two vital places leading to western Kampuchean-Thai border areas; and Kompong Speu, only 44 km southwest of Phnom Penh. The fact that the Kampuchean anti-Vietnamese forces repeatedly attacked and occupied these important strategic places, which were heavily guarded by Vietnamese troops, and then swiftly withdrew from the areas after dealing hard blows at the enemy indicates that they have reached a certain level in making prebattle preparations, in reconnoitering the enemy's situation, in working out battle plans, and in carrying out tactical plans. This is an important reflection of the further expansion of the Kampuchean anti-Vietnamese armed forces.

In the interior of Kampuchea, the Democratic Kampuchean anti-Vietnamese armed forces continue to implement the policy of "penetrating far behind enemy lines to fight and pin down the enemy forces." With the support and cooperation of the local masses, they carry out extensive guerrilla warfare, wiping out enemy strongholds, attacking enemy transportation lines, recovering and liberating large areas of the countryside, and annihilating the enemy's effective strength.

In the coastal province of Koh Kong, situated west of Phnom Penh, the anti-Vietnamese forces once occupied Khamarak-Phoumin, the capital city, wiped out hundreds of large and small enemy strongholds, and gained control of two-thirds of the area and one half of the population in the province. According to the British paper, THE SUNDAY TIMES, two French doctors, who had recently visited the interior of Kampuchea, confirmed that the anti-Vietnamese forces "can actually now carry out activities without any obstruction in quite a number of areas in Kampuchea, and these areas are claimed by the Vietnamese occupation army to be under its control." They came to the conclusion that the Democratic Kampuchean anti-Vietnamese forces are obviously "stronger than they were at any time" in the past.

After matching strengths for six dry seasons in the Kampuchean battlefield, the anti-Vietnamese patriotic forces have become stronger and stronger, creating a new situation in the struggle against Vietnam and for the defense of their country. On the other hand, the Vietnamese authorities have seen their strategic plan of "fighting a quick battle to force a quick decision" go bankrupt and are short of men in the battlefield. Their troops' morale is low and their combat effectiveness has drastically decreased. As pointed out by Western news agencies, the Vietnamese authorities have "begun to fall from the peak" and have "been bogged down in a protracted war." This shows once again that the Vietnamese authorities were daydreaming when they clamored that "no one can reverse the Kampuchean situation."

The Kampuchean anti-Vietnamese armed forces have become stronger and stronger in battle because the patriotic forces of various factions have made tremendous efforts to promote their unity under the banner of the Coalition Government of Democratic Kampuchea [CGDK]. Since the beginning of this year, Samdech Sihanouk has returned to Kampuchea many times to inspect the bases of the anti-Vietnamese forces. He presided over the Coalition Government cabinet conference, stressing further efforts to uphold the unity of the CGDK and to carry the struggle against Vietnam through to the end. The patriotic forces of the three factions act in close coordination politically and in foreign affairs, time and again exposing and defeating the schemes of the Vietnamese authorities to split the CGDK. They also coordinate their operations in the battlefield and fight side by side, scoring positive results in hitting at the Vietnamese aggressions.

Suffering defeats in foreign affairs and in battle, the Vietnamese authorities massed their troops on the Kampuchean-Thai border to attack the several bases of the Democratic Kampuchean patriotic forces in late March. At the same time, they dispatched a large army to invade Thailand and kill the Kampuchean refugees there, in an attempt to cover up its feeble countenance. The Vietnamese troops who invaded Thailand faced a powerful counterattack from Thailand. Meeting the tenacious repulse of the Kampuchean anti-Vietnamese patriotic forces, the invading Vietnamese Army became a spend force and suffered heavy casualties in its attacks. It dispatched helicopters for the first time in battle to support the ground forces but could find no way to retrieve its defeat. With the approach of the rainy season, the Vietnamese Army of aggression is in a still more disadvantageous situation in the Kampuchean battlefield. The Kampuchean patriotic army men and civilians will take hold of the opportune time to deal a still more telling blow at the Vietnamese aggressors and win a still greater victory in their struggle against Vietnam.

ZHAO ZIYANG LETTER VIEWS HONG KONG AFTER 1997

OW011850 Beijing XINHUA in English 1840 GMT 1 Jun 84

[Text] Hong Kong, June 1 (XINHUA) -- A press conference was given here today by the students' union of Hong Kong University expressing the students' gratification over a reply letter written to them by Chinese Premier Zhao Ziyang on the future of Hong Kong. The students' union wrote a letter to the premier voicing their views on Hong Kong's future last January.

The premier's reply letter was delivered to the students by the Hong Kong office of the XINHUA news agency on May 30. The reply letter said "I pay tribute to you for your sincere hope stemming from your sense of responsibility for restoring the motherland's sovereignty over Hong Kong and for maintaining Hong Kong's stability and prosperity. Your views and proposals will be seriously considered by relevant departments."

Zhao Ziyang said: "To guarantee the people's democratic rights is a fundamental principle in China's political life. To practise a democratic political system in Hong Kong special administrative region in the future, or to govern Hong Kong democratically as you put it is a course certainly to be followed. I sincerely hope that you and the other compatriots in Hong Kong will continue to work for restoring the country's sovereignty over Hong Kong and for the stability and prosperity of Hong Kong."

A statement issued by the students' union of Hong Kong University at the press conference said: "We are indeed encouraged by Zhao Ziyang's letter of reply which said that the union's views would be seriously considered, and we are also inspired by Premier Zhao Ziyang's positive attitude towards democracy for Hong Kong."

CHEN MUHUA GREETES AUSTRALIAN TRADE MINISTER

OW040852 Beijing XINHUA in English 0824 GMT 4 Jun 84

[Text] Beijing, June 4 (XINHUA) -- Lionel F. Bowen, Australian deputy prime minister and minister for trade, and his party arrived here this afternoon for a friendship visit to China at the invitation of Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade. They were greeted at the airport by Chen Muhua and Australian Ambassador to China Dennis Walter Argall.

AUSTRALIAN PRIME MINISTER MEETS QINGHAI GROUP

OW281705 Beijing XINHUA in English 1629 GMT 28 May 84

[Text] Canberra, May 28 (XINHUA) -- Australian Prime Minister Bob Hawke met here this morning with a visiting Chinese delegation from Qinghai province led by its governor Huang Jingbo. Reviewing the visits exchanged by the premiers of the two countries in recent years, Hawke pointed out that the official contacts, not only at the national but also at the provincial level, are useful for the development of understanding and friendly relations between China and Australia. Governor Huang said that the prospects for the further development of economic cooperation and trade between the two countries are broad.

The six-member Chinese delegation arrived in Sydney on May 20 at the invitation of Australian Deputy Prime Minister and Trade Minister Lionel Bowen. In meeting with Bowen on May 22, the Chinese guests discussed matters relating to Qinghai's development. Before coming to Canberra on May 24, the delegation also visited Brisbane and Toowoomba in Queensland. They were very much interested in learning of local achievements in animal husbandry, pasture improvement, solar energy, windpower generation and food processing. After meeting the Australian prime minister, the delegation left here for Melbourne today and are scheduled to visit Adelaide and Perth before leaving for home on June 8.

FURTHER ON ZHAO ZIYANG'S WEST EUROPE VISIT

Meets Embassy Personnel in Paris

OW030717 Beijing XINHUA Domestic Service in Chinese 0139 GMT 1 Jun 84

[Text] Paris, 31 May (XINHUA) -- This evening Premier Zhao Ziyang at the Chinese Embassy in France received representatives of personnel of Chinese Government organizations and representatives of Chinese students in that country and extended regards to them on behalf of the people of the homeland.

Premier Zhao briefed them on the industrial and agricultural production in our country and especially the fruitful results in implementing the responsibility system. With deep concern, he inquired how these comrades were doing in working and studying abroad and expressed the hope that they would make new progress in what they were doing.

After the meeting Premier Zhao posed for photographs with different groups of these comrades to mark the occasion.

Also present on the occasion were Zhang Jingfu, state councillor and minister in charge of the State Economic Commission; Chen Chu, deputy secretary-general of the State Council; and Chinese Ambassador to France Cao Keqiang.

Attends Paris Reception

OW011309 Beijing XINHUA in English 1230 GMT 1 Jun 84

[Text] Paris, June 1 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang attended a welcoming reception given by the Paris municipal government at L'Hotel de Ville (city hall) this morning. The reception was hosted by Mayor of the city Jacques Chirac and attended by about 600 people, including all member of Zhao's entourage and leaders of political parties in the municipal council.

After the playing of the Chinese and French national anthems, the mayor and the Chinese premier spoke in high praise of the friendship between the two countries. The mayor said in the past two decades since the establishment of their diplomatic relations, France and China have achieved great success in their exemplary cooperation in various fields and this success contributed to the efforts for bringing about a fairer balance among the nations of the world and a relationship among the people of different countries in better conformity to the principles of liberty, independence and sovereignty. He expressed his desire for deepening and expanding cooperation between the people of Paris and Beijing for the sake of human progress and world peace.

The Chinese premier in his toast described Paris as a city with unique charm, which, he said, is known to the world not only for its magnificent architecture of different styles and its rich possession of artistic treasures, but also for the world-shaking revolutionary storms which have ever erupted here and for its cultivation of many outstanding thinkers and revolutionaries. He paid high tribute to Chirac as an old friend of the Chinese people who has devoted to the development of Sino-French relations. Premier Zhao said both China and France cherish their national independence and follow an independent foreign policy. They love peace, share the desire to make contributions to easing international tensions and safeguarding world peace, and are working actively for the establishment of a new international economic order, he noted.

It is his belief that the two countries have every reason to cooperate more closely, Premier Zhao said. The Chinese leader wrote an inscription for the municipal government, which reads: "May the great City of Paris prosper in economy and flourish in culture."

Holds Talks With Mitterrand

OW011704 Beijing XINHUA in English 1647 GMT 1 Jun 84

[Text] Paris, June 1 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang held the second round of talks here with French President Francois Mitterrand this afternoon. It is learned that the two leaders reviewed the new developments in the relations between the two countries since Mitterrand's visit to China last year, and exchanged views on ways of furthering their friendly and cooperative relations. Before the talks Premier Zhao extended greetings from the state house where he is staying, to Mitterrand who was working in the Elysee Palace, and had a brief talk with him through a video-phone.

Meanwhile, Zhang Jingfu, state councillor and minister in charge of the State Economic Commission, held talks today with Laurent Fabius, French industry and research minister, on economic and technological cooperation between the two sides. Qian Qichen, vice minister of foreign affairs, today met with Francis Gutmann, general secretary of the French Ministry for External Relations, and exchanged views with him on international issues of mutual interest. They expressed satisfaction with the frequent consultations between the officials of their ministries.

Further on Talks

OW011950 Beijing XINHUA in English 1937 GMT 1 Jun 84

[Text] Paris, June 1 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang and French President Francois Mitterrand held their second round of talks at the Palace of Elysee here this afternoon. It was learned that today's talks were concentrated on Sino-French relations. A Chinese source said that during the talks the two leaders reviewed with pleasure the latest developments in Sino-French relations since President Mitterrand's visit to China in May last year and had an extensive discussion about ways to further the friendly cooperation between the two countries.

The Chinese premier was quoted as saying Sino-French relations have advanced in all fields over the past year and that China desires to increase economic and technological cooperation with France. The source also said the French president told the Chinese premier that his country will take an open policy on the transfer of technologies. The two leaders agreed that the political relations between the two countries are good and there are undoubtedly broad prospects for bilateral cooperation.

Present at today's talks on the Chinese side were State Councillor and Minister in charge of the State Economic Commission Zhang Jingfu, Deputy Secretary-General of the State Council Chen Chu, Vice Minister of Foreign Affairs Qian Qichen, Vice Minister of Foreign Economic Relations and Trade Jia Shi, Vice Minister of Public Security Tao Siju and Chinese Ambassador Cao Keqiang.

On the French side were Prime Minister Pierre Mauroy, Minister for External Relations Claude Cheysson, Foreign Trade Minister Edith Cresson, Industry and Research Minister Laurent Fabius, Secretary-General of the Presidency Jean-Louis Bianco, advisers to the president Jacques Attali and Elisabeth Guigou, and French Ambassador to China Charles Malo.

Honored by University

OW012048 Beijing XINHUA in English 2033 GMT 1 Jun 84

[Text] Paris, June 1 (XINHUA) -- Chinese Premier Zhao Ziyang, now on a five-day official visit to France, received a silver medal from the University of Paris here this evening. He is the first Chinese leader to be given such an honor by this 700-year-old university, and other foreign leaders who have received the medal in recent years are British Queen Elizabeth II, Indian Prime Minister Indira Gandhi, Greek President Konstandinos Karamanlis and Iceland President Vigdis Finnbogadottir.

The presentation was held at La Sorbonne, where the University of Paris is situated. Chancellor of the University of Paris Helene Ahrweiler greeted the Chinese premier upon his arrival. They walked past a guard of honor lining the marble steps to a big hall, where the chancellor introduced Zhao to a group of professors. Speaking at the presentation ceremony, the chancellor first of all gave a brief account of Zhao's revolutionary career and his achievements especially since he became head of the Chinese Government. She said the Revolution in China Zhao is leading seems to her to be characterized by the research for and modification of equilibrium essential and primary to the life of his country, i.e., the equilibrium between tradition and modernization and the equilibrium between discipline and creativeness. She also spoke highly of China as a country with long history and time-honored culture. After her speech, the chancellor presented the medal to the Chinese premier.

In reply, Premier Zhao expressed gratitude for the highest honor of the University of Paris given to him, which he regarded as an expression of the profound friendship cherished by the French people towards the Chinese people. He commended the cultural accomplishments achieved by the Chinese and French peoples and their contributions to the civilization of mankind. Emphasizing his hope for further increase of cultural and academic exchanges between the two countries, Zhao said that as part of its modernization drive in the cultural and educational fields. China is following the policy of inheriting and carrying forward its own fine tradition and at the same time learning from the fine cultures of other countries which are useful and suitable to China. At the end of the ceremony, Premier Zhao wrote an inscription which reads: "May the age-old University of Paris always keep its youthful vigor and contribute more to the promotion of cultural flourishing in France and to the increase of cultural exchange between France and China."

Attends Fete

OW012222 Beijing XINHUA in English 2212 GMT 1 Jun 84

[Text] Paris, June 1 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang attended a dinner here tonight given by French Foreign Minister Claude Cheysson. Present were members of the premier's party including State Councillor and Minister in Charge of the State Economic Commission Zhang Jingfu, Deputy Secretary General of the State Council Chen Chu and Chinese Ambassador to France Cao Keqiang.

I. 4 Jun 84

G 4

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

Also present were senior French officials, former Prime Minister Edgar Faure, Ambassador to China Charles Malo, entrepreneurs, artists and sinologists.

Gives Press Conference

OW020848 Beijing XINHUA in English 0825 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- Chinese Premier Zhao Ziyang told a press conference here today that he and French President Mitterrand had reached a broad consensus on major international issues they discussed in the last few days. The premier described his visit to France as "successful" and his talks with Mitterrand and other French leaders as "useful." Apart from international issues, they also explored new channels for expanding the economic cooperation and trade between the two countries, he said. During the premier's visit, the two countries signed two accords on the protection of investment and on the avoidance of tax evasion. The talks show, the premier continued, that both China and France are willing to build up their relations on the basis of long-term stability. He also said he and his party had been deeply impressed by what they saw during the visit about the successes and advanced science and technology in France.

Discusses Disarmament

OW020911 Beijing XINHUA in English 0857 GMT 2 Jun 84

["Premier Zhao Reiterates China's Position on Nuclear Disarmament" -- XINHUA headline]

[Text] Paris, June 2 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang said here this morning that the two superpowers should take the lead in reducing nuclear arms and that China's position on this issues is in line with the United Nations resolution. Speaking at a press conference, the Chinese leader stated that only when the two superpowers who possess over 90 per cent of the world's nuclear arsenals cut their nuclear weapons drastically, will it make sense for all nuclear states to join in the reduction. A United Nations resolution clearly stated that the countries in possession of the largest nuclear arsenals have a special responsibility for nuclear disarmament and China's position is fully in accord with what is said in the UN resolution, Zhao stressed. He also said that China will discuss its position on this issue with other countries.

On European Peace Movement

OW021016 Beijing XINHUA in English 0946 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- The peace movement emerging in Europe is in essence a demonstration of the European people's desire for peace and against war, which enjoys China's understanding and sympathy, Premier Zhao Ziyang said here today. Answering a question on this issue at a press conference, the Chinese leader, now on a visit to France, said that this movement is also directed against the nuclear arms race between the two superpowers and represents a call for the two superpowers to reduce their nuclear arms drastically. To give consideration and sympathies to this appeal the premier said, will benefit efforts for easing international tensions and bringing about a drastic reduction of nuclear weapons by the two superpowers. The Chinese leader restated that China has always supported and will continue to support the Non-Aligned Movement.

Views Arms Talks

OW021005 Beijing XINHUA in English 0942 GMT 2 Jun 84

["China Willing To Join Other Countries To Bring Soviet Union Back to Disarmament Talks, Zhao Ziyang Says" -- XINHUA headline]

[Text] Paris, June 2 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang said here today that China, though it has little influence over the Soviet Union, is willing to work with other countries to bring the Soviet Union back to the disarmament talks in Geneva. He made to statement in response to a question by a French television reporter at a press conference he gave in the state guesthouse this morning. The Chinese premier said that after the breakdown of the Euro-missile talks, the situation in Europe has become all the more tense as a result of an ever escalating arms race. This has caused anxiety and concern among the people of all countries, including the Chinese people, Zhao said. He said: "We hold that the two superpowers must cease to deploy new nuclear weapons in Europe and other parts of the world, return to the conference table and reach a true disarmament agreement which should not harm the third parties. With regard to whether China's influence can bring the Soviet Union back to the conference table," he said, "My answer is that the question should be put to the Soviet Government. Personally, I believe that China has little influence over the Soviet Union. But China is willing to work together with all those countries sharing China's view on this matter towards this end."

Stresses Open Door Policy

OW021112 Beijing XINHUA in English 1048 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- The Chinese people are confident that the implementation of the policy of opening to the outside world will not give rise to changes in China's social system, Premier Zhao Ziyang said here today. He was speaking at a press conference held here during his five-day official visit to France. "Without such confidence, we would not have opened our door to the outside world," he stressed. "As the door is open, good things will be introduced into China and at the same time evil things which we don't like would also be brought in. We'll take preventive measures against the spread of anything decayed, and the principal method is to build up a spiritual civilization along with a material civilization," the premier said. He told the press conference that China firmly sticks to the fundamental principles of Marxism and will apply them to its concrete conditions.

Discusses Hong Kong Issue

OW021140 Beijing XINHUA in English 1118 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang said here today that China and France will cooperate in two major projects, namely a nuclear power station and the supply of telecommunications equipment. He disclosed this at a press conference which he gave to over 100 journalists from France, China and other countries. He said that general agreement had been reached on the two projects, with some specific problems remaining to be solved.

"Both sides have shown great application, but more efforts are needed, and I believe that our cooperation is very promising," he said. Answering a question about the Chinese Government's policy towards Hong Kong, Premier Zhao Ziyang said that under China's Constitution, special administrative regions can be established. After China recovers its sovereignty over Hong Kong in 1997, Hong Kong will become a special administrative region enjoying a high degree of autonomy. A basic law will be enacted which will include a series of policies reflecting a reality of "one country, two systems" and ensuring the prosperity and stability of Hong Kong, the premier said. "The Chinese Government will not apply system of the mainland to Hong Kong and I do not think that the system in Hong Kong should be extended into the mainland," he said.

Talks to French Businessmen

OW021418 Beijing XINHUA in English 1329 GMT 2 Jun 84

[Text] Paris, June 2 (XINHUA) -- Chinese Premier Zhao Ziyang told French businessmen here today that in importing technologies and absorbing funds, China will give favorable consideration to France and other West European countries, giving them preferential treatment in marketing and taxation. Zhao met about 40 French entrepreneurs here this morning. He asked the French entrepreneurs to increase their competitive power in economic cooperation and trade with China. The Chinese premier predicted that as China's economy develops, Sino-French economic cooperation and trade will have increasingly broader perspectives. He described the progress in Sino-French trade and economic cooperation in the past few years as "encouraging," but he said he shared the view that this progress is still not up to expectations. One of the obstacles in the way of developing Sino-French economic and trade relations is the lack of mutual understanding, he said. He called for increased contacts so that the two sides may know each other better. What is important is for both to be more forward-looking and take a broader view in dealing with specific issues and to show more flexibility in the course of cooperation, he said.

The premier made it clear that China is willing to increase cooperation with France on the basis of equality, mutual benefit and long-term stability. He expounded China's policy of opening to the outside world, which, he said, is a "long-term national policy" of China. China has decided to open 14 more coastal cities in addition to the four existing special economic zones and it welcomes foreign enterprises, big or small, to cooperate with China in undertaking hundreds of large projects and upgrading its existing enterprises. The Chinese premier had a lively discussion with the French entrepreneurs on matters about economic and technological cooperation.

ROMANIA'S DEPUTY PRIME MINISTER VISITS PRC

Arrives in Beijing

OW281307 Beijing XINHUA in English 1253 GMT 28 May 84

[Text] Beijing, May 28 (XINHUA) -- A Romanian Government delegation led by First Deputy Prime Minister Ion Dinca arrived here this afternoon to attend the fifth session of the China-Romania committee on economic and technical cooperation. Mr Dinca is also a member of the Executive Political Committee of the Romanian Communist Party Central Committee. Greeting the delegation at the airport was Chen Muhua, alternate member of the Political Bureau of the Chinese Communist Party Central Committee, state councillor and minister of foreign economic relations and trade. Romanian Ambassador to China Angelo Miculescu was also on hand.

Attends Banquet

OW291837 Beijing XINHUA in English 1550 GMT May 84

[Text] Beijing, May 29 (XINHUA) -- A Romanian Government delegation headed by Ion Dinca, member of the Executive Political Committee of the Romanian Communist Party Central Committee and first deputy prime minister, was entertained at a banquet here this evening. The banquet was given by Chen Muhua, alternate member of the Political Bureau of the Chinese Communist Party Central Committee, state councillor and minister of foreign economic relations and trade. Romanian Ambassador to China Angelo Miculescu and Mrs Miculescu attended. The Romanian delegation is in Beijing for the fifth session of the China-Romania committee on economic and technical cooperation which opened here this morning.

Meets Song Ping

OW290945 Beijing XINHUA in English 0915 GMT 29 May 84

[Text] Beijing, May 29 (XINHUA) -- State Councillor Song Ping met with Ion Dinca, first deputy prime minister and member of the Executive Political Committee of the Romanian Communist Party Central Committee, and his party at the Great Hall of the People here today. Song Ping, who is also minister in charge of the State Planning Commission, discussed with the Romanian guests expansion of trade and economic and technical cooperation between the two countries.

Meets With Chen Muhua

OW291209 Beijing XINHUA in English 1122 GMT 29 May 84

[Text] Beijing, May 29 (XINHUA) -- The fifth session of the Sino-Romanian committee on economic and technical cooperation opened here this morning. The Chinese delegation was chaired by Chen Muhua, alternate member of the Political Bureau of the Chinese Communist Party Central Committee, state councillor and minister of foreign economic relations and trade, the Romanian by Ion Dinca, member of the Executive Political Bureau of the Romanian Communist Party Central Committee and Romanian first deputy prime minister. Developments in bilateral economic and technical cooperation were reviewed.

Chen Muhua said that China set great store by the friendly cooperation between the Chinese and Romanian Communist Parties, countries and peoples and regarded the development of this relationship as a firm principle. Cooperation had been fruitful since the last session in February 1983, Chen said. The Chinese Government would, she said, continue to develop economic cooperation with Romania through friendly consultation and mutual understanding and in a realistic spirit.

Dinca said that the Romanian party and Government and President Nicolae Ceausescu paid tribute to the unity and friendship between the two parties and peoples. Romania wished to improve the friendly ties between the two fraternal countries and broaden the scope of the relationship. The meeting is expected to analyze the development of cooperative projects in economy and technology and trade and study new proposals from both sides. Future measures for developing economic and technical cooperation and trade relations will be discussed.

Makes Trade Agreements

OW040906 Beijing XINHUA in English 0822 GMT 4 Jun 84

[Text] Beijing, June 4 (XINHUA) -- An agreed minutes on the fifth session of the Sino-Romanian committee on economic and technical cooperation was signed here when the session closed this morning. Signing the minutes were Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua, and Romanian First Deputy Prime Minister Ion Dinca. During the session the two parties reached agreement on 35 new economic and technical cooperation projects. There was also an increase in the trade contracts agreed or agreed in principle.

CPPCC DELEGATION CONTINUES ROMANIAN VISIT

Meets President Ceausescu

OW240335 Beijing XINHUA in English 0231 GMT 24 May 84

[Text] Bucharest, May 23 (XINHUA) -- Romanian President Nicolae Ceausescu reiterated his demand that the United States halt the deployment of its new missiles in Europe and that the Soviet Union stop carrying out counter-measures. He said Romania believes that halting the arms race and carrying out disarmament, especially nuclear disarmament, and a guarantee for peace are the central issues of the world today. Ceausescu made the remarks when he and his wife met with the delegation of the Chinese People's Political Consultative Conference (CPPCC) led by its Vice-Chairman Yang Chengwu. He said he felt very happy that Romania and China shared identical or very similar views on a series of international issues. On bilateral relations, Ceausescu said the friendly and cooperative relations between the two parties and countries have withstood the test of storms and have reached a very high level today. The visit to Romania by General Secretary Hu Yaobang of the Chinese Communist Party last year has contributed greatly to the bilateral relations, he said.

Yang Chengwu said he was deeply impressed by the vigor of the Romanian people in socialist construction and spoke highly of the great successes they have achieved. He conveyed the regards of Chinese leaders Hu Yaobang, Li Xiannian, Deng Xiaoping, Zhao Ziyang, Deng Yingchao and Peng Zhen to Ceausescu who asked him to convey his best wishes to the Chinese leaders.

I. 4 Jun 84

H 3

PRC INTERNATIONAL AFFAIRS
EASTERN E. ROPE

Present at the meeting were Tamara Maria Dobrin and Eduard Eisenburger, executive chairman and vice chairman of the Romanian Socialist Democracy and Unity Front, Aurel Duma, minister and secretary of state of foreign affairs, and Kang Jimin, Chinese charge d'affaires ad interim to Romania. Kang gave a banquet here this evening to mark the visit of the delegation which arrived here on May 10.

Concludes Visit

OW250331 Beijing XINHUA in English 0315 GMT 25 May 84

[Text] Bucharest, May 25 (XINHUA) -- A delegation of the Chinese People's Political Consultative Conference led by its Vice Chairman Yang Chengwu left here today after concluding a two-week visit to Romania. Tamara Dobrin, executive chairman of the National Council of the Romanian Socialist Democracy and Unity Front, and General Mihai Burca, vice chairman of the Romanian Anti-Fascist War Veterans' Committee, were on hand to see the Chinese delegation off at the airport.

During its stay, the delegation held meetings and exchanged experiences with the leaders of the Romanian Communist Party and of the National Council of the Romanian Socialist Democracy and Unity Front at all levels. It also visited places of interest in the industrial, agricultural, cultural and tourist sectors in Brasov, Constanta and in the capital of Bucharest.

Returns to Beijing

OW251407 Beijing XINHUA in English 1310 GMT 25 May 84

[Text] Beijing, May 25 (XINHUA) -- A delegation from the National Committee of the Chinese People's Political Consultative Conference, led by Yang Chengwu, member of the Chinese Communist Party Central Committee and vice chairman of the CPPCC National Committee, returned here today after a friendship visit to Romania. Greeting the delegation at the airport were Cheng Zihua, vice chairman of the CPPCC National Committee, and Angelo Miculescu, Romanian ambassador to China.

POLISH CULTURE MINISTER ON PRC COOPERATION

OW232025 Beijing XINHUA in English 1858 GMT 23 May 84

[Text] Warsaw, May 23 (XINHUA) -- Polish Minister of Culture Kazimierz Zygulski today expressed the hope to "further develop the cultural cooperation between China and Poland." "There is a broad prospect for cultural exchanges between China and Poland," he said. The minister stated this when visiting the Chinese booth at an international book fair which opened here today with the participation of publishing houses from 20 countries. The minister went to see the Chinese exhibits after addressing the opening speech for the fair. "We are very happy to receive the Chinese book trade company here which attended the fair after 17 years of break," he said. "The cultural cooperation between the two countries should cover the area of translation and exchange of books, pictorials and magazines," he said. "Cultural exchanges between the two countries should play a more important role," he added.

MOROCCAN ENVOY'S RECEPTION MARKS JERUSALEM DAY

OW181240 Beijing XINHUA in English 1124 GMT 18 May 84

[Text] Beijing, May 18 (XINHUA) -- Moroccan Ambassador Abderrahim Harkett gave a reception here today to mark Jerusalem Day. Ambassador Harkett and Chinese Assistant Foreign Minister Zhou Nan spoke at the reception.

"The only solution for Jerusalem is for Israel to withdraw from it and from all Arab territories it occupied since 1967, Harkett said.

Zhou Nan said: "The Chinese Government and people fully understand and sympathize with the sentiments of the Islamic countries and people on Jerusalem. We resolutely condemn and oppose Israel's unilateral action to change the status of Jerusalem." Zhou said: "Any measure taken by Israel in the attempt to annex Jerusalem is illegal, invalid and cannot be accepted."

Present at the reception were Maulana Amuti and Ahamid Wagidi, vice-presidents of the Islamic Association of China. Also present were diplomatic envoys of Islamic and Arab countries.

FURTHER REPORTAGE ON LI PENG AFRICAN TOURTalks With Mauritanian Leaders

OW311403 Beijing XINHUA in English 1343 GMT 31 May 84

[Text] Nouakchott, May 30 (XINHUA) -- A Chinese Government delegation led by Vice Premier Li Peng held official talks here today with a Mauritanian delegation led by Interior Minister Iyal Abdoulaye. During the talks, the two sides reviewed with satisfaction the existing friendly and cooperative relations between the two countries and believed that such relations based on mutual respect, equality and mutual benefit will be strengthened and developed further.

Both sides reiterated their support for the just struggle waged by the Arab people, the Arab Palestinians and the people in southern Africa, and called for withdrawal of foreign troops from Afghanistan and Kampuchea. They agreed unanimously that the Third World countries have fundamental interests in common. Given the current tense international situation, unity among these countries is a matter of paramount importance. The contradictions and disputes among these countries can be settled peacefully on the basis of the five principles of peaceful coexistence through patient consultations.

Li Peng also had talks with Mauritanian Minister of Foreign Affairs and Cooperation Ahmed Ould Minnih today. Iyal Abdoulaye gave a luncheon in honor of Li Peng today. He praised China for the great achievements it has made in a relatively short time on the road of building a modern society. He said the good relations between the two countries are based on mutual respect and non-interference in each other's internal affairs.

In reply, Li praised the Mauriticians for their efforts in defense of national independence and sovereignty, and in the development of national economy and culture. He said the Mauritanian people, under the leadership of President Mohamed Haydala, are working hard to overcome the difficulties brought about by the severe droughts. Li gave a banquet this evening at the Chinese Embassy here at which he said his visit to Mauritania was successful and his talks with Mauritanian leaders had borne gratifying results.

PRC-Mauritania Pact Signed

OW311908 Beijing XINHUA in English 1652 GMT 31 May 84

[Text] Nouakchott, May 31 (XINHUA) -- An agreement and two protocols on economic cooperation were signed here today between China and Mauritania. The visiting Chinese Vice-Premier Li Peng and Mauritanian Minister of Interior Iyal Abdoulaye signed the documents.

Under these documents, China is to give Mauritania a supplementary credit for the construction of a port of friendship in Nouakchott as well as for the laying of a second water pipe from Idini to Nouakchott. Moreover, the Chinese Government is to grant Mauritania 2,000 tons of wheat to help the drought-stricken people in the country.

Departs Mauritania

OW011315 Beijing XINHUA in English 1107 GMT 1 Jun 84

[Text] Nouakchott, May 31 (XINHUA) -- Chinese Vice-Premier Li Peng and his party left here for home this afternoon upon concluding a three day official visit to Mauritania. They were seen off by Mauritanian Interior Minister Iyal Abdoulaye, Minister of Foreign Affairs and Cooperation Ahmed Ould Minnih and other high-ranking officials.

Li and the Chinese Government delegation he leads arrived here on May 27. In a statement before his departure, he told reporters that his visit has been crowned with success. The two sides had identical views on a number of international problems they discussed. They agreed to do a good job with the projects under construction and to ensure the management and maintenance of the completed projects.

Li Peng, accompanied by Iyal Abdoulaye, visited the Olympic stadium of Nouakchott and the construction site of the friendship port this morning. Afterwards, he met with some 500 Chinese technicians and medical workers working in Nouakchott.

Reviews Trip

OW020904 Beijing XINHUA in English 0755 GMT 2 Jun 84

[Text] Dakar, June 1 (XINHUA) -- Chinese Vice Premier Li Peng said here today that his four North African nations' tour has increased mutual understanding, strengthened friendship and promoted bilateral cooperation between China and the four nations. A Chinese Government delegation headed by Li Peng visited Libya, Tunisia, the Sudan and Mauritania between May 17 and May 31.

In an exclusive interview with XINHUA, Li said that the visit by the Chinese delegation has achieved its aims. During the tour, Li said, he had been accorded a warm and friendly welcome by the governments and people of the host countries.

Li said he had friendly, frank and sincere talks with leaders of the four countries on international problems and bilateral relations. They shared identical views on the struggle against imperialism, colonialism and hegemonism and for safeguarding world peace and unity among the Third World countries. They also expressed their concern over the deteriorating situation in some parts of the world. The leaders of the four countries praised China for pursuing an independent foreign policy, its strict adherence to the five principles of peaceful coexistence and promotion of unity among the Third World countries.

Li said while he was in Tunisia he met with PLO leader Yasir 'Arafat and expressed the support of the Chinese Government and people for the just cause of the Palestinian people.

Li Peng said that the Third World countries are faced with an arduous task to develop their national economy. He said these leaders agreed that the South-South cooperation is an important channel for the Third World countries to develop their national economy and an impetus to the North-South dialogue.

Meeting With Senegal Leader

OW020756 Beijing XINHUA in English 0720 GMT 2 June 84

[Text] Dakar, June 1 (XINHUA) -- Senegalese President Abdou Diouf received Chinese Vice-Premier Li Peng at his residence here today and discussed with him bilateral relations and major developments in the world situation. The Chinese vice-premier was on a brief stay here on his way home after concluding his African tour, which had taken him to Libya, Tunisia, Sudan and Mauritania, as the head of a Chinese Government delegation.

Li Peng conveyed to Diouf regards from President Li Xiannian and Premier Zhao Ziyang. He praised the Senegalese people for their efforts in combating and winning economic successes.

Diouf said that Senegal and China shared identical views on African and many other international issues. Today Senegalese Minister of Youth and Sports Francois Bob gave a dinner for Li Peng and his delegation. Li Peng will leave here tomorrow.

ULANHU FETES GUYANESE VICE PRESIDENT HOYTE

OW201748 Beijing XINHUA in English 1651 GMT 2 Jun 84

[Text] Beijing, June 2 (XINHUA) -- Chinese Vice President Ulanhu gave a banquet here this evening for Hugh Desmond Hoyte, vice president of the Cooperative Republic of Guyana, and an advance party he is leading. Vice President Hoyte arrived here yesterday to make preparations for Guyanese President Burnham's forthcoming China visit.

In his toast Ulanhu said: "We are eagerly looking forward to the forthcoming state visit by His Excellency President Burnham. We are sure that his visit will enhance the mutual understanding and friendship between us and make new contributions to the further development of our bilateral relations." He said: "China and Guyana both belong to the Third World. Since the establishment of diplomatic relations, satisfactory progress has been made in Sino-Guyanese cooperation in the political, economic, technical, cultural and other fields. The Chinese Government and people highly value their friendship with the Cooperative Republic of Guyana. We are ready to work with our friendly country Guyana to explore new avenues for developing the friendly relations and cooperation between our two countries." He expressed the belief that the exchanges and cooperation between the two countries would have a broad prospect.

Hoyte said in his toast: "The relationship between the Government and people of Guyana and the Government and people of the People's Republic of China has developed positively over the years since the establishment of diplomatic ties in 1972. We have, during that period, cooperated closely at the political level in the United Nations and in other international forums where we have generally shared a coincidence of views on the major international issues. In the field of international relations we both seek to promote friendship among nations and better understanding based upon equality, mutual benefit and respect for sovereignty and independence; and we both work assiduously to promote the cause of world peace and the establishment of a just international economic order." He said that the two countries had cooperated successfully in the political field. "We should try to achieve the same success in the economic field," he added. Hoyte said President Burnham regards his forthcoming visit to China not simply as a protocol, but also as an expression of the close friendship and understanding existing between the two countries. It is also regarded as a chance for expanding the trade and economic relations beneficial to both sides through concrete and practicable measures.

Before the banquet Ulanhu had a cordial meeting with Vice President Hoyte. This morning Wang Bingqian, state councillor and minister of finance, held talks with Hoyte on Sino-Guyanese economic cooperation.

JILIN DELEGATION LEAVES FOR CANADA VISIT

OW010816 Beijing XINHUA in English 0743 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- A friendship delegation of the Jilin provincial government led by Governor Zhao Xiu left here this morning for Canada. The delegation will attend the June 3rd signing ceremony of a protocol on establishment of friendly ties between Jilin and Canada's Saskatchewan Province at the invitation of Grant Devine, premier of Saskatchewan. After their visit to Canada, Zhao Xiu and his party will pay a visit to France and Denmark.

'TEXT' OF FINANCE MINISTER'S REPORT TO NPC

OW010254 Beijing XINHUA in English 0228 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- Following is the full text of the report on the final state accounts for 1983 and the draft state budget for 1984 delivered by Wang Bingqian, state councillor and minister of finance, at the Second Session of the Sixth National People's Congress on May 16, 1984, and endorsed by the congress on May 31, 1984:

Report on the Final State Accounts
for 1983 and the Draft State
Budget for 1984

(Delivered at the Second Session of the Sixth
National People's Congress on May 16, 1984)

Wang Bingqian
State Councillor and Minister of Finance

Fellow deputies, on behalf of the State Council, I shall now submit for your examination and approval a report on the final state accounts for 1983 and the draft state budget for 1984:

I. The Final State Accounts for 1983

Nineteen eighty-three was a year in which the people of all our nationalities, acting in the spirit of the Twelfth National Congress of the Chinese Communist Party, scored remarkable achievements in their effort to create a new situation in all fields of socialist modernization. During the year, we continued to implement the policy of readjusting, restructuring, consolidating and improving the national economy. There were bumper harvests in agriculture and a steady growth in industrial production, the market in both town and country was brisk, the living standards of the people rose again and there was vigorous development in all fields of construction. On this basis, the country's financial situation continued to improve, with a considerable increase in both state revenue and expenditure.

The final state accounts showed that state revenues in 1983 totalled 124.899 billion yuan while total expenditures reached 129.245 billion yuan, creating a deficit of 4.346 billion yuan. The deficit will be made up by an overdraft from the People's Bank of China.

Of all the revenues for 1983, domestic receipts amounted to 121.116 billion yuan, or 102.8 per cent of the budgeted figure, up 11.7 per cent over the previous year. Foreign loans, which registered a small decrease compared with the previous year, came to 3.783 billion yuan, or 70.1 per cent of the budgeted figure. The essential breakdown was as follows:

(1) Tax receipts came to 77.559 billion yuan, or 6.3 per cent more than the budgeted figure. The increase was mainly attributable to the rapid development of production, expanded commodity circulation and improved management of taxation.

(2) Receipts from enterprises (including income tax delivered to the state by state-owned enterprises) totalled 24.052 billion yuan, or 74.3 per cent of the budgeted figure. The shortfall was due mainly to the failure of enterprises, for one reason or another, to meet their targets for reducing the cost of production and to a big increase in price subsidies for farm and sideline products.

(3) The portion of basic depreciation funds of enterprises that was turned in to the central financial authorities amounted to 2.729 billion yuan, or 124 per cent of the budgeted figure.

(4) Receipts from state treasury bonds totalled 4.158 billion yuan, or 104 per cent of the budgeted figure.

(5) Funds collected from various localities, departments and units for construction of key energy and transport projects amounted to 9.3 billion yuan, or 155 per cent of the budgeted figure. The much higher receipts were attributable to an increase in the collection rate from 10 to 15 per cent in the second half of the year and to the active response from different quarters to the state's call for contributions.

In the 1983 final state accounts, total expenditures amounted to 129.245 billion yuan, which was 102.4 per cent of the budgeted figure and 12.1 per cent more than the figure for the previous year. The essential breakdown was as follows:

(1) Budgetary appropriations for capital construction totalled 38.281 billion yuan, or 105.8 per cent of the budgeted figure. Of this, domestic funds accounted for 34.498 billion yuan, and foreign loans, 3.783 billion yuan. Appropriations for the construction of key projects in energy, transport, postal service, telecommunications, education and scientific research amounted to 16.6 billion yuan, or 43.4 per cent of the total budgetary appropriations for capital construction, an increase of 4.5 billion yuan over the previous year.

(2) Funds to tap the potential of existing enterprises, finance their technical transformation and subsidize trial manufacture of new products totalled 7.871 billion yuan, or 119.8 per cent of the budgeted figure.

(3) Allocation of circulating funds for enterprises was 1.289 billion yuan, or 57.3 per cent of the budgeted figure. This expenditure was reduced because, beginning July 1, 1983, circulating funds needed by enterprises were supplied through bank loans.

(4) Allocations for geological prospecting amounted to 2.36 billion yuan, or 100.4 per cent of the budgeted figure.

(5) Aid to rural people's communes and other operating expenses for agriculture totalled 8.67 billion yuan, or 111.8 per cent of the budgeted figure. The increase was caused mainly by additional outlays the localities made out of their own reserve funds to keep pace with the development of agriculture, and by additional state allocations for aiding disaster-stricken areas.

(6) Operating expenses for culture, education, science and public health services totalled 22.354 billion yuan, or 109.6 per cent of the budgeted figure.

(7) Expenditures for national defence accounted for 17.713 billion yuan, or 99.1 per cent of the budgeted figure.

(8) Administrative expenses came to 10.22 billion yuan, or 120.2 per cent of the budgeted figure. The increased appropriations were mainly used for strengthening procuratorial, judicial and public security organizations and the administration of law, and for training personnel.

(9) Expenditures for repaying the principal and interest on foreign loans totalled 3.656 billion yuan, or 71.7 per cent of the budgeted figure. Part of the foreign loans was repaid ahead of time at the end of 1982, with money from a favourable foreign exchange balance. This resulted in the reduction of expenditure in 1983.

The deficit in 1983 was 1.346 billion yuan more than the budgeted figure of 3 billion yuan. It increased mainly because the state purchased an extra 22.25 million tons of grain and an extra 1.101 million tons of cotton following the bumper harvest, thus paying an additional 3.47 billion yuan as price subsidies for above-quota purchase. It is a good thing for the state to make more purchases when there is a good harvest, because it can increase the state grain reserves, ensure a better supply of raw materials for industrial production and improve market supply in general. However, the growth in the volume of purchase necessitated a corresponding increase in subsidies for above-quota purchase, thus enlarging the deficit. Besides, lack of strict control over budgetary expenditures and of effective supervision over finances also added to the deficit.

Generally speaking, the 1983 state budget was implemented satisfactorily. Our country's financial situation continued to improve in the course of the readjustment and growth of production. This success was achieved through the concerted efforts of the localities and departments and the people of all our nationalities under the leadership of the Central Committee of the Chinese Communist Party and the State Council. To fulfil the plan for national economic and social development and implement the state budget, we did mainly the following in 1983:

(1) Eliminate losses and increase profits in enterprises. Starting at the beginning of the year, in order to further change the state of low economic effectiveness of enterprises and reduce heavy losses in them, the localities and the departments concerned paid great attention to helping enterprises eliminate losses and raise profits while vigorously expanding production. This work gained momentum and achieved significant results particularly after a forum on economic questions was convened by the party Central Committee last October to study the problem and find a solution. Statistics show that the number of state-owned industrial enterprises running at a loss in 1983 was 4,229 less than in 1982, their proportion among all state-owned industrial enterprises went down from 26.1 per cent to 15.8 per cent, and their total losses declined from 4.27 billion yuan to 2.79 billion yuan, a drop of 34.6 per cent. It is noteworthy that 23 provinces, autonomous regions and municipalities directly under the central government, as well as 11 central departments, fulfilled or overfulfilled their plans to eliminate losses last year. Seven of these localities and six of the departments cut their losses by more than half.

(2) Implement measures for concentrating the use of funds. To ensure the smooth progress of China's socialist modernization, the state decided on a number of measures to concentrate the use of funds in 1983. It gathered 10.26 billion yuan through such measures as collecting funds to build key energy and transport projects and readjusting taxes. This sum was listed under revenues and was used chiefly to build key projects, thus increasing investment in energy and transport. Practice in 1983 showed that it is entirely necessary for the state to take appropriate measures to collect part of the funds dispersed among different departments and units, so as to step up the construction of key projects and ensure a co-ordinated development in economic construction as a whole.

(3) Reform the tax system. In 1983, the state took the first step in replacing profit delivery with tax payments by state-owned enterprises, i.e., imposing an income tax on them in proportion to their profits and rationally sharing the after-tax profits between the state and the enterprises by various means. This reform was initiated on a trial basis on June 1, 1983 and by the end of the year, it had spread to 98 per cent of all profit-making state-owned enterprises. The results have been far better than those of any other reforms with which we have experimented. This particular reform encourages enterprises to improve their management, implement the system of economic responsibility, practise strict business accounting and strive for better economic results; it helps to put the interests of the state, the enterprises and the workers and staff members in a correct relationship by ensuring that the state gets the largest

part of the increased profits, the enterprises get the second largest and the individuals get the rest. It also helps to ensure a steady rise in revenues and a basic balance between state revenue and expenditure.

(4) Give active support to the development of culture, education, science and public health services. In 1983, the state allocated 22.354 billion yuan as operating expenses for culture, education, science, public health and physical culture. This represented an increase of 2.658 billion yuan or 13.5 per cent over the previous year, the rate of increase being higher than that of state revenue and expenditure in 1983. Of these expenses, those for education rose by 10.5 per cent, for science by 13.9 per cent, for public health by 13.2 per cent, and for culture by 17.5 per cent. The year 1983 saw a fairly rapid advance in the development of regular institutions of higher learning and of secondary vocational schools, new results in scientific research, improvement in medical facilities and marked successes in cultural and physical cultural undertakings.

(5) Help enterprises tap their potentials, carry out technical transformation and make technological innovations. In order to make full use of existing enterprises and encourage them to update their techniques, the state provided them with substantial financial support for exploring new potentials and for technical transformation and innovation. In 1983, the funds allocated by the state for these purposes and for the trial manufacture of new products amounted to 7.871 billion yuan, an increase of 969 million yuan, or 14 per cent, over the previous year. In addition, beginning in 1983 the State Council authorized an appropriate increase in the basic depreciation rates of fixed assets for 550 enterprises in the machine-building and electronics industries, which were the first to undergo technical transformation, and for 32 major enterprises producing acids and alkalis, as well as for local industrial enterprises in Shanghai. These measures played a positive role in helping the enterprises make innovations in their technologies and economize on energy and raw and semi-finished materials, and in increasing transport capacity, improving the product mix and raising the quality of products.

(6) Conduct a general check-up on financial work. In order to strengthen financial control, effectively correct violations of financial and economic discipline and prevent losses in state revenue, the State Council in October 1983 approved for circulation the Ministry of Finance's "Report on Conducting a General Check-up of Financial Work". All localities, departments and units were asked to make such a check-up within the year. At the same time, the State Council organized working groups composed of cadres from different departments and sent them to help the localities in the work. Thanks to the concerted efforts of all concerned, the check-up was a great success. It not only helped to improve the party's style of work and the standards of social conduct but increased state revenue by 2.2 billion yuan, of which 1.5 billion yuan has already been turned over to the state treasury.

With the growth of industrial and agricultural production in 1983, the people's standard of living has improved. The total payroll for all the workers and office staff in 1983 increased by 6 per cent compared with 1982, including a 10.9 per cent increase in bonuses and above-quota piece-rate wages. A sample survey showed that the per-capita net income of peasant households in 1983 was 309.8 yuan, 14.7 per cent higher than that in the previous year. New houses built for workers and office staff in 1983 exceeded 115 million square metres in floor space, and those built by peasants amounted to about 700 million square metres.

II The Draft State Budget for 1984

In 1984, we will continue to implement the policy of readjusting, restructuring, consolidating and improving the national economy, further readjust the economic structure, straighten out economic relations, carry out reforms and strive for new successes in

economic construction and all other undertakings. To meet the needs of economic growth, the 1984 state budget was drawn up according to the following principles: 1) support the development of production, stimulate commodity circulation, accelerate technological progress and improve economic performance; 2) concentrate the use of funds in such a way as to speed up the construction of key energy and transport projects and the development of intellectual resources, promote the development of all undertakings and continue to improve living standards; and 3) further reform the financial and tax systems, strengthen financial management and control and ensure a basic balance between state revenue and expenditure.

In accordance with these principles and the provisions of the national economic plan, the 1984 state budget sets total revenue at 133.85 billion yuan and total expenditure at 136.85 billion yuan, with a deficit of 3 billion yuan.

Of all revenue in the 1984 state budget, domestic receipts will account for 128.75 billion yuan, and foreign loans for 5.1 billion yuan. The former figure is 6.3 per cent higher than that listed in the final state accounts of 1983 and surpasses the 1985 target set for it in the Sixth Five-Year Plan. The essential breakdown is as follows:

- (1) Tax receipts will come to 81.02 billion yuan, an increase of 4.5 per cent over 1983;
- (2) Receipts from enterprises (including income tax paid by state-owned enterprises) will total 29.83 billion yuan, an increase of 24 per cent over 1983;
- (3) The portion of basic depreciation funds of enterprises that is turned over to the central financial authorities will come to 2.3 billion yuan;
- (4) Receipts from state treasury bonds will amount to 4 billion yuan;
- (5) Funds collected for key energy and transport projects will be 8 billion yuan.

The growth rate of budgeted state revenue in 1984 corresponds basically with that of the total industrial output value. The draft budget has already taken into account certain special factors that reduce state revenues. For example, the state and the enterprises have shared payment of the increase in wages for workers and staff members of enterprises since the fourth quarter of 1983, when a pay rise went into effect. This sharing will reduce state revenue by 2 billion yuan in 1984. In addition, increased basic depreciation rates of fixed assets that were granted to a number of enterprises and localities in 1983 will be applied on a larger scale this year. However, we believe that if we can overfulfil the industrial and agricultural production plan for 1984, and if the enterprises can reach their targets for reducing production costs, eliminating losses and increasing profits, state revenue will register a greater rate of growth than the budgeted figure.

State expenditure in the 1984 budget is 5.9 per cent more than that in the 1983 final state accounts. The essential breakdown is as follows:

- (1) Budgetary appropriations for capital construction total 44.16 billion yuan, an increase of 15.4 per cent over 1983;
- (2) Funds to tap the potential of existing enterprises, finance their technical transformation and subsidize trial manufacture of new products total 7.41 billion yuan, 5.9 per cent less than in 1983;
- (3) Allocations for geological prospecting come to 2.6 billion yuan, a rise of 10.2 per cent;

- (4) Aid to rural people's communes and other operating expenses for agriculture total 8.1 billion yuan, down 6.5 per cent;
- (5) Appropriations for urban construction and maintenance and for civil air defence come to 3.65 billion yuan, up 16.4 per cent;
- (6) Operating expenses for culture, education, science and public health services total 23.5 billion yuan, up 5.1 per cent;
- (7) Allocations for the disabled and families of those who die in the line of duty and for social relief amount to 2.4 billion yuan, the same as in 1983;
- (8) Expenditures for national defence account for 17.87 billion yuan, a slight increase over 1983;
- (9) Administrative expenses come to 9.582 billion yuan, slightly less than in 1983;
- (10) Expenditures for repaying the principal and interest on foreign loans total 3.8 billion yuan;
- (11) Allocations for general reserve funds come to 1.35 billion yuan, of which 0.5 billion yuan is at the disposal of the central authorities.

The budgeted state expenditures for 1984 are arranged according to the country's financial capabilities and the needs of economic development, and with an eye to ensuring priority items while taking care of others. The fairly big increase in the allocations for capital construction is intended mainly to step up the construction of key energy and transport projects. Though greater effort has been devoted to such projects in recent years, the work still falls far short of present needs in developing production, particularly the need to prepare for vigorous economic development in the 1990s. Therefore, more funds in the budget are allocated for key items in capital construction. The rate of growth of operating expenses for culture, education, science and public health services will be somewhat smaller in 1984 than in previous years. As overall state revenue grows in the course of the year, however, the central and local authorities will set aside more funds for such expenses. This means that best effort will be made to realize an increase simultaneous with the increase in overall state expenditure. Meanwhile, we are using loans from the World Bank to equip dozens of universities, colleges and scientific research institutes with sophisticated teaching aids and laboratory facilities and to increase TV facilities for use in adult higher education. The budgetary funds in 1984 for tapping the potential of existing enterprises, financing their technical transformation and subsidizing trial manufacture of new products will also be slightly smaller than in 1983. This is because, under the 1984 state plan, many more loans will be provided by the bank for technical transformation than in 1983; the state will continue to raise the basic depreciation rate of fixed assets for a number of key enterprises; and it has decided that part of the funds used for developing new technologies and for trial manufacture of new products can be included in production costs. Aid to rural people's communes and other operating expenses for agriculture in the 1984 budget are less than those in 1983, but actual expenditures for these purposes will surpass the budgeted figure because, in the course of implementation, additional allocations will be made by various localities from their own reserve funds.

The present economic situation is very good. Barring extraordinary natural disasters in 1984, the industrial and agricultural production targets may be overfulfilled and the state budget may be executed even more successfully than planned. However, there are still many difficulties in state finances. On the one hand, the proportion of state revenue in the overall national income is still fairly low, financial resources are somewhat dispersed and the state is short of construction funds; on the other hand,

we have to step up the construction of key projects and finance the development of other undertakings, all of which call for more funds. Here the conflict between the needs and the possibilities is quite obvious. But our difficulties are those arising in the course of advance and they can certainly be overcome step by step through concerted effort. It is hoped that under the leadership of the party Central Committee and the State Council, the various localities and departments will vigorously develop production, make a success of economic reform, improve economic performance and create more wealth to increase state revenues. At the same time, we should improve financial management, ensure stricter observance of financial and economic discipline, energetically economize on expenditures, oppose extravagance and waste and strive to excel in executing the 1984 state budget, thus helping to ensure a fundamental turn for the better in the country's financial situation.

III. Strive for the Successful Execution of the 1984 State Budget

Fellow deputies, both the political situation and the economic situation in 1984 are very good. Inspired by the efforts of the Communist Party of China to consolidate its ranks, the people throughout the country are working energetically for the four modernizations. New progress is expected this year in industrial and agricultural production and in the national economy as a whole, as well as in the reform of the system of economic management. This will be an essential guarantee for the successful execution of the 1984 state budget. However, we must realize that the all-round execution of the state budget is a very demanding task. We must make the party consolidation our motivating force, enhance our revolutionary spirit and strive in a down-to-earth manner to do all our financial and economic work well.

(1) Vigorously promote production and improve economic results. This year the state will give greater financial support to the development of production. In agriculture, in view of the specific conditions arising from the implementation of the system of contracted responsibility with remuneration linked to output and the need to develop commodity production in the rural areas, we must improve the distribution, use and management of the aid-agriculture funds, encourage diversified production and commodity economy, help disseminate agricultural science and technology and promote the all-round development of farming, forestry, animal husbandry, sideline occupations and fishery. In industry, efforts should be made to increase energy output, try in every possible way to raise the output of brand-name and other commodities that are in short supply, and encourage enterprises to improve the quality of their products. In addition, we should support the development of new industries and new products. Meanwhile, we should continue to raise economic efficiency, which is the key to all our economic work. In 1983, the economic efficiency of enterprises rose some but not enough, and certain targets for its improvement were not attained. For instance, the costs of comparable products of the state-owned industrial enterprises were reduced only 0.2 per cent as against the planned 2 per cent. In 1984, much should be done to further raise economic efficiency. It is necessary to do a better job in consolidating enterprises and put them on a sound basis by taking effective measures to strengthen their leading bodies, improve their management and other basic aspects of their work and perfect their responsibility systems. At the same time, enterprises that have been running at a loss for a long time and can no longer function for lack of raw materials or market demand must be ordered to shut down, suspend operation, amalgamate with other enterprises or switch to the manufacture of other products. Attention should be paid to summing up and passing on the experience of the localities, departments and enterprises that have successfully turned losses into profits or have increased profits; it is essential to work conscientiously to fulfil our targets and carry out measures for eliminating losses and increasing profits of enterprises. We must eliminate operational losses in most enterprises by the end of this year and strive to reduce policy-related losses, as required by the state. And we must quickly remove the unnecessary links in commerce that hinder the flow of commodities, and, in order to prevent overstocking, we must stop making poor-quality, high-priced, slow-selling goods and commodities unsuited to market demand.

At present, bureaucracy and mismanagement are causing serious damage and waste in various fields. Statistics show that in 1983, damage, deterioration and missing of products in industrial, transport and commercial enterprises across the country caused a total loss of more than 1.6 billion yuan. At the end of June 1983, the amount of machinery and electrical equipment stored by capital construction units nationwide was valued at 14.2 billion yuan, more than double the limit set by the state. Some of the equipment was not stored carefully and became useless as a result of erosion and deformation. These problems must be solved in all seriousness through the consolidation of party organizations and enterprises. Bureaucrats who take an irresponsible attitude towards the people's property and are indifferent to waste and losses must be dealt with sternly and serious offenders must be punished according to law. On no account can they be allowed to undermine the interests of the country and people again.

(2) Further implement the policy of invigorating the domestic economy and opening to the outside world and effectively reform the financial and tax systems. Invigorating the domestic economy and opening to the outside world are two aspects of a fundamental policy we must adhere to for a long time to come. So far, in neither aspect have we done enough. We must continue to eradicate "left" influences, further emancipate our minds and quicken the pace of reform. In the financial reform, emphasis is laid this year on the second step to replace profit delivery with tax payments, a step intended, by and large, to define exclusively in terms of tax payment the relationship between the state and enterprises in distribution. We will be able through this step to reduce to a certain extent the contradictions arising from the present irrational price structure by adjusting the rate of product tax, and to regulate and guide production by either raising or lowering tax rates. The reform also envisages introduction of a resources tax that will enable the state to collect differences in the income of enterprises that derive from comparable differences in available resources and in the conditions of development. Several local taxes will be restored so that local financial departments will have some regular sources of revenue. After small enterprises deliver the income tax and contracting fees, they may keep the rest of their profits for their own disposal. The same applies to large and medium-sized enterprises after they have paid the income tax and the regulatory business tax. This reform is highly significant, for not only will it ensure to the state the largest share of the increased income of enterprises and thus a steady increase in its revenue, but, more importantly, it will energize enterprises and apply greater pressure on them. It will give enterprises a free hand to improve their operations and compete with one another in increasing production and improving economic results. This will help to encourage advanced enterprises and stimulate backward ones and thus help solve the long-standing problem of "everybody eating from the same big pot". Active preparations are being made for this second step of the reform, which is scheduled to begin in the fourth quarter of this year.

To provide more incentive for enterprises and their workers and staff, it is necessary that we make step-by-step changes in the method of issuing bonuses. Enterprises that have fulfilled all the targets in the state plan, earned more profits and paid more taxes than in the previous year may abolish the ceiling on bonuses, while those that have failed to fulfil the state plan, earned less profits and paid less taxes than in the previous year must reduce or stop issuing bonuses. A bonus tax will be levied on enterprises where bonus payments exceed certain limits.

As a further step to implement the policy of opening to the outside world, we shall open 14 port cities along the coast and the Hainan Island, while continuing to run the existing special economic zones well. This will be another effective measure in expediting China's socialist modernization. A more flexible policy is needed to attract foreign investment in these places. Preferential treatment in finance and taxation will be accorded as necessary to foreign businessmen who set up factories there, and help will be given to these cities to speed construction of their infrastructure.

(3) Keep the scale of capital construction under control and cut unnecessary expenditures in order to use funds more effectively. Successes were achieved last year in controlling the scale of capital construction, but the effort must be continued to prevent it from getting out of hand again. We therefore must tighten control over investment, seeing to it that all capital construction projects proceed in accordance with the state plan and state budget and that no projects are undertaken outside the plan without authorization by the departments concerned. We must conscientiously adhere to the documents of approval for such projects, strive to reduce construction costs and prevent overspending. No investment in excess of budget estimates shall be approved except in extraordinary circumstances. The Chinese People's Construction Bank should strictly examine and supervise appropriations and, in co-ordination with other departments concerned, keep the scale of capital construction under strict control. Arrangements for capital construction must guarantee key national projects, and in these projects strict control must also be exercised over the use of funds so as to avoid huge waste in major projects. We should continue to reform the management system in capital construction to ensure more effective use of funds. In the past few years, we have experimentally replaced state appropriations with bank loans for investment in capital construction projects. This practice has yielded good results and should be continued. The contract responsibility system in investment, which has proved useful, should be promoted in a planned way. In addition, the practice of public bidding for construction projects should also be adopted widely.

In recent years, administrative expenses have grown at a rate far exceeding that of state revenue and expenditure. In general, these expenses will not be increased, but will be restrained within a tight budget in the next few years. The overhead expenses of enterprises and administrative outlays of institutions should also be cut back and controlled. We should carry forward the tradition of practising economy, combating waste and building our country through thrift and hard work, do our best to economize on expenses and eradicate all waste.

Close attention must be paid to improving economic results and preventing losses and waste in the use of state funds. From now on, both financial departments and fund-users should conscientiously check on the effects of spending and introduce a responsibility system for use of funds. People in charge of those units which have caused serious losses and waste must be called to account and must not be allowed to get away with it.

(4) Effectively strengthen financial control and supervision and enforce financial and economic discipline. Owing to the influence of the 10 years of domestic turmoil and the inroads of bourgeois ideology, and because the work of inspection and supervision has failed to keep pace with the reform of certain administrative systems, such erroneous tendencies as decentralism, departmentalism and "putting money first in everything" have developed in a number of units and now and then acts detrimental to the overall interests of the country have occurred. Some units withhold at will funds that should be turned over to the state, playing fast and loose with them, or use public funds to make private sight-seeing tours and build expensive living facilities; others use fraudulent means to falsify production costs and evade taxes; and still others spend money freely in playing host to foreign guests in disregard of set standards, exceeding their means in pursuit of ostentation and extravagance, or, in their relations with other Chinese units, try to establish unprincipled connections and make backdoor deals in order to secure personal gain or benefits for individual units at the expense of the state. Such unhealthy practices have become quite serious in some units. From 1979 to 1982, by falsifying its accounts of expenditures and not reporting business earnings to the departments concerned, the Bureau of Materials and Equipment of the Inner Mongolia Autonomous Region concealed profits and withheld funds that should be turned over to the state, totaling more than 31 million yuan, most of which has already been misappropriated and squandered. Such cases are by no means rare; they occur in

other places, too. This has not only dispersed and wasted our financial resources, but also seriously hampered efforts to fundamentally improve the party's style of work and raise the moral standards of society, and corrupted a number of workers and staff members. To solve these problems, three general financial check-ups have been conducted since 1980 in all localities, departments and units on the instructions of the State Council, and each time violations of financial and economic discipline were discovered, involving a total of 3-4 billion yuan. More check-ups will be conducted in the next few years as a means of strengthening financial and economic discipline. Meanwhile, effective measures must be taken to reinforce the control of day-to-day financial work and give full play to regular financial supervision. We should continue to improve our financial legislation, so that we will have a system of laws governing all financial matters. A number of laws and regulations relating to financial work and to taxation have been promulgated in recent years and they have produced good results. On the whole, however, they are far from adequate. Some important statutes that are still lacking should be enacted as soon as possible. Auditing bodies that have come into being and begun to function at all levels must strengthen their work and conscientiously exercise the power of supervision through auditing that is vested in them by the Constitution. At the same time, we should do an efficient job of financial supervision within enterprises and other units by bringing into play the supervisory role of the large numbers of accountants and other financial workers in them. From now on, if breaches of discipline are found in a unit, its principal leaders will be held responsible and the matters will be dealt with sternly according to law. So will all units and individuals, however large their number, that have caused great damage through extravagance and waste or seriously violated financial and economic discipline. None of them shall be let off with indulgence.

Fellow deputies, thanks to the rapid growth in production, the state budget was implemented satisfactorily in the first four months of this year. The growth rate of state revenue in this period exceeded the annual rate set in the 1984 budget. Progress has been fairly swift and the situation is encouraging. We must guard against arrogance and rashness, continue to exert ourselves in all fields of work and strive to execute the 1984 state budget successfully.

EDITORIAL HAILS CONCLUSION OF NPC SESSION

HK011300 Beijing RENMIN RIBAO in Chinese 1 Jun 84 p 2

[Editorial: "Attaining a Yet Higher Goal"]

[Text] The Second Session of the Sixth NPC, which concluded yesterday, was an important meeting brimming with the spirit of democracy and beaming with the spring breeze of reforms.

In the past 2 weeks, over 2,700 delegates attending the session, with the powers endowed to them by the Constitution, heatedly discussed [re lie tao lun 3583 0441 6062 6158] and approved the report by Premier Zhao Ziyang on government work, and some other reports. They also discussed and approved the "PRC Law of Self-Government of National Autonomous Areas" and the "PRC Military Service Law." The report by Premier Zhao set forth the important policy decision on quickening the pace in economic reforms, a decision on quickening the pace in economic reforms, a decision which greatly boosts the popular morale of the country. With the valiant spirit of reforms, our lovely country is boldly striding forward on the road of socialist modernization.

The meeting highly praised the important guiding ideology reaffirmed by Premier Zhao Ziyang in his report on government work: "In accordance with the principle of building socialist material and spiritual civilization simultaneously, we must continue to work hard and to accomplish tasks in all areas more solidly.

"Of all our work, the central task is still to continue pushing economic construction forward." All delegates pointed out: China must advance and its economy must revive. This is the need of the times and the inexorable trend of history. Economic construction is the core of the whole socialist modernization. This should in no way be ignored or diverged from. To continue to push economic construction forward and to attain the strategic objective of economic construction set for the people of our country by the end of the century, we should carry our reforms and innovations and should not stick to conventions and outdated ideas. Otherwise, it will be impossible for us to accomplish what we are striving for. We must grasp structural reform and the open-door policy. These two major issues are of great importance to ensuring a steady increase in the national economy in the near future, laying a sound foundation for the revival of our economy in the 1990's, and stimulating an overall upsurge of socialist economic construction.

We are now facing the challenge of a world-wide technical revolution. We must have a strong sense of responsibility and urgency and an iron spirit of reform to meet the challenge. The momentum of the reforms is very gratifying. The reforms in the rural areas are now in the ascendant and the curtain on the reforms in the urban areas is just rising. There are many favorable conditions for us to gain success in reforms, such as the correct leadership of the party Central Committee and the State Council, the successful experiences gained from the reforms in the rural areas in recent years, a large number of cadres who are resolved to institute reforms, and the valuable enthusiasm of the broad masses of people for reforms. Through reforms, we will certainly be able to learn how to carry out reforms well and to push them forward. However, we must be aware that it is a deepgoing revolution when we readjust certain links in production relations which hinder the development of productive forces, reform certain parts in the realm of the superstructure which do not conform to economic foundations, and do away with all unreasonable regulations and systems and backward management methods. In every step forward in this revolution, we have to overcome difficulties and break through obstructions. Now, the obstructions are, in the main, from two sides: one is the influence of "leftist" ideology and the other is force of habit and the bonds of tradition. We must make breakthroughs in reforms and enhance our level of understanding. Through party rectification, education, sweeping away of the influence of "leftist" ideology, and smashing of force of habit and the bonds of tradition, we must further emancipate our minds and widen our field of vision so as to make great strides in reforms and to create a new situation in our open-door policy.

The voice of delegates for reforms at the meeting reflects the aspirations of the people of the whole country. They put forward a number of valuable suggestions and sharply criticized some organs and personnel who have been indifferent to reforms, and even opposed and obstructed reforms. They hoped that leaders would stand in the forefront of reforms, support reforms, take part in reforms, and become "good swimmers" in the wave of reforms and "street cleaners" on the road of reforms. Leading cadres at all levels must live up to the expectations of the people, protect the enthusiasm and exploratory spirit of the masses in reforms, give firm support to reformers, encourage them politically, trust them organizationally, assign them important tasks, grant them material rewards, and help them break through obstructions, overcome shortcomings, correct mistakes, and make greater progress.

In a letter, Comrade Hu Yaobang cited the story of the building of the Tower of Babel by the ancient Babylonians. The Babylonians failed to achieve their wish. Now, we are making progress step by step in the magnificent cause of building China's "Tower of Babel." Carrying out reforms has become a general trend in the present development of China. It gives great vigor and impetus to our cause and pushes all our work to a new height.

NPC RESOLUTION ON GOVERNMENT WORK REPORT

OW010817 Beijing XINHUA Domestic Service in Chinese 1133 GMT 31 May 84

[Text] Beijing, 31 May (XINHUA) -- Resolution of the second session of the Sixth National People's Congress of the People's Republic of China concerning "The Government Work Report." (Adopted by the Second Session of the Sixth National People's Congress on 31 May 1984)

After serious deliberation, the Second Session of the Sixth NPC of the People's Republic of China approves "The Government Work Report" delivered by Premier Zhao Ziyang on behalf of the State Council.

The session holds that since the First Session of the Sixth NPC, our country has scored remarkable achievements in building a socialist civilization both materially and spiritually through the concerted efforts of all levels of government and the people of all nationalities in the country. Political stability and unity has been further strengthened and relations between China and many other countries have developed. The session is satisfied with the State Council's work performance in the past year.

Regarding our future economic work, the government work report says that we should pay special attention to two major aspects: restructuring the economy and opening this country to the outside world. This is a policy decision in keeping with the actual conditions of the country. The measures spelled out in the report for reforms are also feasible. The session urges governments at all levels, while upholding the four basic principles, to further emancipate the mind, seek truth from facts, continuously probe into the essence of things, suit measures to local conditions and circumstances, work hard, earnestly carry out various measures of reform, arouse the initiative of all quarters, overcome existing difficulties, and continue to push forward the cause of socialist construction.

In pursuance of the general independent foreign policy stipulated in our Constitution and acting in line with experiences gained over the past few years in our diplomatic work, the government work report systematically explains the country's foreign policies of strengthening unity and cooperation with other Third World countries and developing friendly relations with all other countries on the basis of the five principles of peaceful coexistence, opposing hegemonism, and safeguarding world peace. The session agrees that these correct policies should be continued in future diplomatic work.

The session endorses the policy proposed in the government work report concerning the peaceful reunification of the motherland and the resumption of China's exercise of sovereignty over Hong Kong. It believes that this policy is in the fundamental interests and in accord with the common aspirations of the people of all nationalities in the country as well as compatriots in Taiwan, Hong Kong, and Macao Overseas Chinese.

The session calls on the people throughout the country to unite and work with one heart and one mind, strive to open new vistas for the socialist modernization program, and score even more brilliant successes in all endeavors in honor of the great and glorious festival -- the 35th founding anniversary of the People's Republic of China.

PRESIDENTIAL DECREE ON REGIONAL AUTONOMY LAW

OW030024 Beijing Domestic Service in Mandarin 1200 GMT 31 May 84

[Text] Presidential Decree No 13 of the People's Republic of China:

The Law on Regional Autonomy for Minority Nationalities of the People's Republic of China was adopted by the Second Session of the Sixth National People's Congress of the People's Republic of China on 31 May 1984 and is now promulgated. It will be put into effect on 1 October 1984.

[Signed] Li Xiannian, president of the People's Republic of China

31 May 1984

PRESIDENTIAL DECREE ON MILITARY SERVICE LAW

OW030026 Beijing Domestic Service in Mandarin 1200 GMT 31 May 84

[Text] Presidential Decree No 14 of the People's Republic of China:

The Military Service Law of the People's Republic of China was adopted by the Second Session of the Sixth National People's Congress of the People's Republic of China on 31 May 1984 and is now promulgated. It will be put into effect on 1 October 1984.

[Signed] Li Xiannian, president of the People's Republic of China

31 May 1984

YANG DEZHI INTERVIEWED ON MILITARY SERVICE LAW

HK011202 Beijing ZHONGGUO QINGNIAN BAO in Chinese 24 May 84 p 2

[Report: "Step Up the Building of the Armed Forces To Defend the Socialist Motherland" -- Chief of the PLA General Staff Yang Dezhi answers reporters' questions on the military service law]

[Text] In the course of the discussion of the "Military Service Law of the PRC (Revised Draft)" by the second session of the Sixth NPC, our reporter asked Yang Dezhi, chief of the PLA General Staff, about ways to lead youths to study and carry out the military service law.

Question: Chief of the General Staff Yang, please tell us why do we have to amend the military service law?

Answer: We have to amend the military service law in order to gear to the needs of modernizing national defense.

The Military Service Law of the PRC was first promulgated in 1955 upon the approval of the Second Session of the First NPC. Basically speaking, the law is fine and has played an important role in strengthening the building of China's Army and in accumulating reserve forces. In the past 30 years, however, the situation in China has undergone a great change, and the building of the Armed Forces has developed a great deal. Particularly, since the 3d Plenary Session of the 11th CPC Central Committee, China has entered into a new historical period. Both the 12th CPC Congress and the new Constitution have clearly set our basic tasks in the future. At the same time, they have also assigned new tasks and forwarded new requirements for us to build China's Armed Forces and reserve forces. We must not only build the Armed Forces into a powerful, modernized, and regularized revolutionary army, but must also further strengthen the building of the militia and perfect the system of reserve duty, so that we shall lay a good foundation for quick mobilization during wartime. The military service law promulgated in 1955 no longer completely conforms to this new situation.

Furthermore, after more than 20 years of practice, we have accumulated much experience in the area of military service, which has yet to be affirmed; and the rules and regulations violated during the 10 years of turmoil have yet to be brought into order out of chaos and restored. Therefore, it is absolutely necessary for us to amend the 1955 military service law.

Question: What are the differences of the amended military service law from that promulgated in 1955?

Answer: The amended "Military Service Law of the PRC" is based on the 1955 military service law. There are great changes in terms of content and structure. Article 65 of Chapter 12 of the present law was formerly Article 58 of Chapter 9 of the 1955 military service law, and five chapters have been added to the law. They are the chapters on "students recruited by military institutes among young students", "militia", "military training of reserve servicemen", "treatment and demobilization arrangements of servicemen", and "punishment." The content of two former chapters, that is, "registration and statistics of reserve servicemen" and "the rights and duties of servicemen and reserve servicemen" have been rewritten and grouped under relevant chapters and sections. China's People's Armed Police Force, including the public security forces of the nationality autonomous areas which are organized in connection with Article 120 of the Constitution, is part of the state's armed forces, and there is a supplementary article specifically dealing with the issue of the service of the force. This draft has summarized China's experience since its implementation of compulsory military service. Not only does it retain the advantages of the 1955 military service law, but also pays attention to drawing lessons from foreign countries. In the course of discussion and solicitation of views, the participants generally held that this draft conforms better to the actual conditions of China and its Army.

Question: What is the principle behind amending the military service law?

Answer: After amendment, the military service law will better handle relationships in three areas.

First, it reflects the needs of building national defense, and has taken into account possible changes in the national economic situation. Our aim in amending the military service law is to strengthen China's defense capability. To strengthen the building of national defense, to improve the capability of self-defense, and to make preparations for war to resist aggression are the guarantees that our socialist modernizations can be carried out smoothly, and are matters of vital importance to the security of the state. At the same time, as building national defense is based on building the economy, we must integrate the needs and possibilities with the present realities and development prospects in connection with the actual conditions of building the national economy. This is an important principle that we must first uphold when amending the military service law.

Second, we must appropriately handle the relationship between building the standing army and building the reserve forces, which is another important principle. War to resist aggression in the future will be large-scale modern warfare. It is impossible for us to win such a war without a modern and regularized revolutionary army. However, there is a limit to the standing army's size and we must meet the demands of building and expanding the forces during wartime. The way to solve the issue is basically to strengthen the building of reserve forces, and to establish and perfect the system of rapid wartime mobilization. The aim of integrating the militia with the reserves, and establishing and perfecting the reserve service system for officers and soldiers in accordance with the stipulations of the military service law, is to maintain a smaller army in peacetime and to despatch more troops in wartime. This is a major strategic measure which is significant in terms of national defense and economic construction.

Third, while we stress that it is a citizen's bounden duty to serve in the Army, we have also worked out stipulations to solve problems in the treatment of and demobilization arrangements for servicemen. It has been the glorious tradition of the party, government, and the people to support the Army and give preferential treatment to families of revolutionary army men and martyrs. Therefore, we have, on the one hand, clearly stipulated that it is a citizen's glorious duty to serve in the Army in a bid to strengthen the youths' sense of responsibility for safeguarding the motherland and the four modernizations, so that they will consciously and voluntarily do their duty of joining the Army. On the other hand, we have worked out corresponding stipulations in the light of problems in treating the servicemen and their families and in making arrangements for demobilized servicemen. Most of these stipulations have already become effective, while some of them are restored and some are put forward in light of the present situation. For example, the ways of treating the families of rural compulsory servicemen are put forward to safeguard the livelihood of the families in light of the situation in which the rural areas have generally implemented the production responsibility system and the living standard of peasants has become higher and higher. This is a specific reflection of the glorious tradition of supporting the Army and giving preferential treatment to families of revolutionary army men and martyrs under the new circumstances. The people of China have a high degree of political consciousness. They have deep love for the motherland and the PLA. They always regard the act of joining the Army to safeguard the motherland as a glorious duty. Hence, in order to encourage this initiative of the people and to carry forward our fine tradition, it is necessary for us to stipulate in the form of law the principle of providing treatment and arrangements.

Question: Can you talk about China's military service system?

Answer: Yes, I can. According to the military service law, China's military service system is one that focuses on the compulsory military service system, and one that integrates compulsory servicemen with volunteers, and the militia with the reserve service. This is an important characteristic of China's military service system, and is put forward after summing up our experience over the past years. Judging from the practice of the past years, there are many advantages in the compulsory military service system, and it is still the basic military service system of China. In the wake of heightening the degree of modernization of the weaponry of China's armed forces, we need part of the technological backbone to be on protracted active service in the armed forces so that they can skillfully master various kinds of technical equipment. According to the decision of the NPC Standing Committee in 1978, some of the compulsory servicemen have been reorganized into volunteers in connection with the needs of the armed forces and individual determination. Facts have proven that such a system of integrating compulsory servicemen and volunteers is feasible and necessary.

Our aim of integrating the militia system with reserve service system is to further strengthen the building of China's reserve forces. Traditionally, China has a militia system, and the militia is a solid foundation for China to mobilize troops. However, it cannot completely replace the reserve service system, particularly the reserve service system of officers. Therefore, the military service law stipulates that we must integrate the militia system with the reserve service system. This has not only upheld China's traditional militia system but has also perfected its reserve service system, which helps to strengthen the building of reserve forces.

Question: Would you please comment on the issue of performing the citizen's obligation of joining the military service?

Answer: China's Constitution has stipulated: "It is the sacred obligation of every citizen of the PRC to defend the motherland and resist aggression. It is the honorable duty of citizens of the PRC to perform military service and join the militia in accordance with the law." This, on the one hand, points out that everyone has the obligation to defend the motherland and, on the other, that citizens must observe the stipulations of the state's military service law when performing military service.

— In connection with this spirit, the military service law stipulates that every PRC citizen, male and female, has the obligation to perform military service in accordance with the law. This shows that every citizen, male and female, shares equal rights and duties in defending the motherland. However, taking into account the actual condition that China has a large population and a solid foundation of soldiers, and at the same time, giving consideration to the physical characteristics of women, it is absolutely necessary and reasonable to put forward different requirements for the male and female citizens in performing military service.

-- The 1955 military service law stipulated that citizens who perform the reserve service of soldiers should be about 18 to 40 years of age, but now it stipulates that the age should be about 18 to 35. Though the age limitation is 5 years younger than before, the reserve service can still meet the demand of building the Army in peacetime and mobilizing troops in wartime. In order to make room for development, the law has also stipulated that in the case of special situations in wartime, the State Council and the Central Military Commission can recruit male citizens between 36 and 45 years of age to perform military service.

Question: It is said that the PLA will implement a system of military ranks. What are the stipulations on this in the military service law?

Answer: According to the decision of the Sixth Session of the First NPC Standing Committee, China's PLA implemented a system of military ranks from 1955 until 1965 when it was abolished. The revised military service law affirms once again that the PLA will implement a system of military ranks. This is an important measure in the new historical period for strengthening the modernized and regularized building of China's Army.

The military service law does not have any stipulation on the setup of military ranks, which will be stipulated by China's PLA regulations on military service of officers and regulations on military service of soldiers. We must also do some preparations in order to implement the system of military ranks. Therefore, the revised military service law cannot be put into effect immediately after promulgation.

Question: What are the stipulations on drafting soldiers in peacetime and mobilizing troops in wartime?

Answer: For nearly the past 30 years, we have drafted soldiers in peacetime on a regular basis and have had a rather complete system. Stipulation of the military service law on the draft is basically the method which is currently in effect, except that there is an amendment on the stipulation on deferment of service.

-- We will defer the service of students studying in full-time institutions, so that they can concentrate their efforts on studying, which helps the state train qualified personnel.

-- We will defer the service of a citizen on the grounds of being the sole labor force supporting his family because we take into account the actual difficulties encountered by the family of the draftable citizen. The sole labor force does not mean the only one. There are cases in which the deferment of service does not apply to only sons. This is because the parents or other family members still have labor capability and can support the family.

Under the present conditions, we must not only mobilize as many troops as possible but also as quickly as possible when war breaks out. The military service law has summed up our experience. It stresses that we must do well in the preparatory work of mobilizing troops in peacetime, puts forward the principles and requirements for quick mobilization in wartime, and states clearly the duties and tasks of various units as well as the leadership at various levels.

Question: What are the changes in the term of service of soldiers?

Answer: From 1955 when the military service law was promulgated until the present time, the term of compulsory military service has been changed three times. Judging from the situation of the implementation over the past 30 years, an unduly long term of service will bring some actual problems to both the compulsory serviceman and his family, while an unduly short term of service will bring harm to the maintenance of fighting capacity.

This amendment of the military service law has made necessary readjustments in the term of compulsory military service. The law stipulates that the service term for the Army is 3 years and for the Navy and the Air Force, 4 years. The service terms of the technical troops and grassroots core members who are asked to stay in the armed forces will be settled by extending their military service or by reorganizing them into volunteers. Also, the military service law has stipulations on the terms of extended active service and volunteers.

Question: Youths are interested in the military training of reserve servicemen and students. Can you make some comments on this?

Answer: Our aim to strengthen the military training of reserve servicemen is to accumulate powerful and well-trained reserve troops. The military service law stipulates that any member of the primary militia who does not serve in the armed forces and who is about 18 to 20 years old should take part in military training for 30 to 40 days; whereas any member of the primary militia who has served in the armed forces or who has received military training should take part in refresher training in accordance with the regulations. During his service in the reserve forces, a reserve officer should take part in military training for 3 to 6 months. This is very important as this will help them to improve their military qualities and to conform to the requirements for fighting in a war.

Furthermore, in order to ensure that the needs in wartime will be met, the military service law stipulates that in case of an emergency, the reserve servicemen should take part in emergency training in accordance with the decision of the Central Military Commission. It is a bounden duty of reserve servicemen to take part in military training. In addition, it is also necessary to pay them a certain amount of subsidies when they take part in training, so that their economic income will not be excessively affected during this period.

The military service law stipulates that the rural areas should deal with the issue by balancing expenses, while factories, mines, enterprises, and institutions should pay them wages and bonuses as usual. This method has been put into effect across the country for years and is feasible. Proceeding from the viewpoint that every citizen has the obligation to defend the motherland, it is a bounden duty and reasonable that everyone share equally a small portion of the expenses.

To provide military training for students studying in colleges and senior secondary schools is an important aspect for strengthening the building of reserve forces. Through military training, students can enhance their organizational discipline, widen their knowledge, and promote the development of moral character, wisdom, and physique in a comprehensive way.

The military service law stipulates that there are two types of military training for college students: one of them is to generally provide basic military training for students. It mainly focuses on general military technology and strengthening the concept of national defense. The other type is to train reserve officers, that is, on the basis of general training we shall select some students who are suitable to take the duties of officer, and provide them short-term training. Those who can pass the examination will serve in the reserve service as officers. And this is a source of replacement officers in wartime.

Question: What are the other changes in the military service law?

Answer: There are some other changes. But the greatest change is that a chapter on punishment has been newly added. The chapter stipulates methods of punishment for acts that violate the military service law. Of course, we must still uphold the focal point of education following the promulgation of the revised military service law. By relying mainly on the strengthening of ideological and political work, we must greatly propagate that it is the citizen's bounden duty to perform military service in accordance with the law, and advocate the spirit of dedicating oneself to defending the motherland, so that the citizens will consciously and voluntarily perform military service. However, it is necessary to punish any individual who violates the military service law and when the case is a serious one, so as to maintain the socialist legal system as well as the enforcement of the military service law.

Question: The youths of various nationalities across the country were very excited upon hearing that the revised military service law will be promulgated soon. Can you tell the youths about your hopes?

Answer: We feel happy upon knowing that the youths are excited. The practice of performing military service by China's people of various nationalities and youths is based on the foundation of a high degree of political consciousness as well as self-consciousness and voluntariness. The people are the masters of the country. The safety of the country and the survival of the nation are closely bound with the interests of every citizen. Over the years, China's people and youths have regarded military service and defending the motherland as their own glorious obligation and sacred right. Whenever the country faces an emergency, they will come out boldly and fight bravely for safeguarding the socialist motherland. This is just where our strong-points lie. Such strength is enormous and is really an impregnable fortress.

I hope that the youths of various nationalities across the country will conscientiously study the military service law, will resolutely implement the military service law, will carry forward the glorious tradition and revolutionary spirit of dedicating oneself to defending the motherland, will prepare at any time to respond to the motherland's call, and will make contributions to defending the great socialist motherland and safeguarding the four modernizations.

ULANHU ADDRESSES GATHERING ON NEW AUTONOMY LAW

OW011820 Beijing XINHUA in English 1638 GMT 1 Jun 84

[Text] Beijing, June 1 (XINHUA) -- More than 1,500 people of China's ethnic minorities gathered here this afternoon to celebrate the adoption of the law on regional autonomy for minority nationalities. They were deputies to the National People's Congress and members of the National Committee of the Chinese People's Political Consultative Conference as well as a number of minority representatives in Beijing.

I. 4 Jun 84

K 19

CHINA
PRC NATIONAL AFFAIRS

They were joined by party and state leaders including Peng Zhen, NPC Standing Committee chairman; Chinese Vice-President Ulanhu (Mongolian nationality); Chen Pixian, Banqen Erdini Qoigyi Gyancan (Tibetan nationality) and Seypidin (Uygur nationality), vice-chairmen of the NPC Standing Committee; and Yang Jingren (Hui nationality), vice-chairman of the CPPCC National Committee and chairman of the State Nationalities Affairs Commission. [Beijing XINHUA Domestic Service in Chinese at 1425 GMT on 1 June in a similar item says that other "leading comrades" attending the gathering included Liu Lantao, Pagbalha Geleg Namgya, and Burhan Shahidi.]

NPC deputies and CPPCC members of the Han nationality for autonomous areas for minority peoples also attended the gathering.

The new law was adopted at the Second Session of the Sixth NPC concluded here yesterday. It will come into force on October 1 this year. NPC Standing Committee Vice-Chairman Ngapoi Ngawang Jigme (Tibetan nationality) presided over the meeting. In his speech, Vice-President Ulanhu said that the law would play an important role in guaranteeing the right of equality and autonomy for minority nationalities, promoting and strengthening China's unity as well as the unity among all nationalities and accelerating the pace of construction in the minority area. Both minority nationalities and the Han nationality, both the autonomous regional administrations and the higher government administrations should all resolutely implement the law, Ulanhu said. Apart from general principles specified by the Constitution and the regional autonomy law for all areas practising regional autonomy, he added, the autonomous areas should, based on the Constitution and the law and in the light of their own specific conditions, work out as early as possible regulations for their own areas.

Yang Jingren, in his speech, stressed that efforts should be made to consolidate national unity and end the estrangement left over from history between some of the nationalities. He said that all the 55 minority nationalities and the Han nationality, the majority nationality in China, should unite as one in the country's socialist construction.

Other speakers at the gathering were Wu Jinghua (Yi nationality) vice-chairman of the State Nationalities Affairs Commission; NPC deputy Dao Anju (Dai nationality) and CPPCC member Youren (Mongolian nationality). They stressed the need to give great publicity of the law on regional autonomy in all parts of the country and the minority areas in particular.

HONGQI ARTICLE SAYS PRC WANTS PEACE, NOT WAR

HK020400 Beijing ZHONGGUO XINWEN SHE in Chinese 0658 GMT 1 Jun 84

[Report: "A HONGQI Article Says That China Wants Peace, Not War" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 1 Jun (ZHONGGUO XINWEN SHE) -- The latest issue of the authoritative magazine HONGQI published today carries a signed article which says: China wants peace, not war. This is not a shifting tactic.

The article quotes remarks of Premier Zhao Ziyang from his "Report on Government Work" delivered at the Second Session of the Sixth NPC: Safeguarding world peace is a main objective of China's foreign policy. The article adds: Zhao Ziyang also clearly explains China's efforts and a series of propositions for easing international tension, promoting disarmament, and preventing world war. All these are matters of great guiding significance for China's diplomatic work in the future.

The article stressed: China wants peace today. It will also want peace in the future, after the realization of socialist modernization. The Chinese people suffered for a long time from the catastrophe of an ongoing war. We profoundly value peace. We will never allow our achievements in construction made through hard work to be ruined by war. We will never let our compatriots suffer losses in their lives and property because of war. A prosperous and powerful socialist China is beneficial to the peace and stability of the world. The victory in China's socialist construction is also great support for the progress and bright prospects of the world.

The article points out: Imperialism and hegemonism frequently go in for the rhetoric of peace in order to cover up their invasion and control over Third World countries. They have carried out arms and expansion and war preparations in a frenzy under the pretext of "detente." We should resolutely oppose this. Our purpose in opposing their tricks of creating sham detente is to realize true peace, rather than aggravating international tension. We have never intended to reap profits from the rivalry between the superpowers. We have always opposed imperialism and hegemonism, which create international tension. We have also maintained that negotiations aimed at solving international disputes are a correct way for handling international relations. We hope that the Soviet Union and the United States will ease their relations. If the relations between these two superpower deteriorate, there will be more danger of war. This will never benefit the people of various countries in the world.

The signed article in HONGQI continues: The danger of war still exists. This is a fact. It is necessary to make people aware of this fact so that they will pay attention to the guard against the danger. In the meantime, we should clearly realize that in facing the threat of war, people of various countries in the world are not powerless, or incapable of action. The force of safeguarding world peace is getting stronger and stronger. The majority of people in the world want peace. They have bright prospects in their struggle to strive for peace.

HU QIAOMU RECOMMENDS ARTICLE IN CYL PAPER

HK040430 Beijing RENMIN RIBAO in Chinese 30 May 84 p 1

["Today's Talk" column by Hu Qiaomu: "Recommending a Good Article"]

[Text] An article entitled "The Wind and Rain on the Path of the CYL" published on page 2 of yesterday's (29 May) ZHONGGUO QINGNIAN BAO is a good article worth reading. Although this lengthy article covers a full page in bourgeois type, [an old type size] readers might want to read the whole article once they start reading it. In the meantime, they will derive great benefits from reading it. Although I am an old man who is staying in the hospital, I read the whole article at one go. I believe that a number of people will do as I did. In spite of the fact that it is unnecessary for me to give an account of the contents of the article here, I can still say: After reading such an article, the readers will further realize the indomitable willpower and outstanding ability of Chinese advanced youths in our contemporary times, who are as powerful as eagles. They will further believe that under the present situation our pioneers and reformers will score magnificent successes.

I. 4 Jun 84

K 21

CHINA
PRC NATIONAL AFFAIRS

I cannot write more, nor is it necessary for me to do so. In conclusion, let me send my regards to our indomitable and brave pioneers Chen Jialou, Zhou Wenying, Jiang Zhongping, Zhou Chengli, Yu Weizhong, Duanmu Jiarong, Qi Shanhong, Song Guanglun, and others who represent their fighting collectives. I also would like to express my thanks to the writers of the article, Comrade Li Haiyan and Comrade Huang Huaming.

RENMIN RIBAO CARRIES HONGQI TABLE OF CONTENTS

HK310928 Beijing RENMIN RIBAO in Chinese 30 May 84 p 7

[Table of Contents of HONGQI No 11, 1 June 1984]

[Text] Article by Lu Dong: "Reform the Industrial Management System -- A Major Task in Urban Economic Reform at Present"

Article by Liang Xiang: "Make Efforts To Do an Even Better Job in Running the Shenzhen Special Economic Zone"

Editorial: "Let the Whole Society Be Concerned With Children and Teenagers"

Article by Tang Hualiang: "Safeguarding World Peace Is the Chief Objective of Our Country's Foreign Policy"

Article by Sun Lin: "The Five Principles of Peaceful Coexistence -- The Fundamental Norms for Modern International Relations"

Article by Li Guangyuan: "Laborers Are Masters of Socialist Publicly-Owned Economy"

Article by Niu Xinfang: "Brief Discussion on 'Freedom From Restrictions'"

Article by Wuxi City CPC Committee: "Valuable Exploratory Work, Useful Enlightenment"

Article by Wei Jianlin: "Let the People Live in a Country Where Flowers Are in Full Bloom -- Reading 'The World Found'"

Article by the HONGQI Theoretical Education Editorial Office: "Guidance Material for the Study of Documents on the 2d Plenary Session of the 12th CPC Central Committee: 'Pay Attention To Strengthening Ideological and Political Work Following the Shift of Work Focus'".

"Party Rectification Should Promote Opening to the Outside World and Enlivening the Domestic Economy"

Article by Yuan Shi: "Should the Method of Class Analysis Still Be Applied Now That the Exploiting Classes Have Already Been Abolished?"

Article by Wang Xiuxin: "Several Party Consolidation and Rectification Campaigns in the History of the CPC"

Article by Kong Xianggui: "A Branch of Science Having Strong Party Spirit and Meant for Practice -- Brief Introduction to 'General Discussion on Ideological and Political Work'"

'PEOPLE OF 3 CATEGORIES' IN SHANDONG DISCIPLINED

HK010900 Beijing RENMIN RIBAO in Chinese 25 May 84 p 4

[Report by RENMIN RIBAO reporters Liu Binyan, Liu Guosheng, and Li Kefu and ZHONGGUO FAZHI BAO reporter Qui Wenzhong: "CPC Committees of Shandong's Linyi Prefecture and Yinan County Seriously Solved Problems Concerning Holding of Power by 'People of Three Categories' in Yinan County"]

[Text] From the end of last March to the middle of last April, the reorganized Linyi Prefectural CPC Committee in Shandong sent a work team to Yinan County to resolutely weed out [qingli 3237 3810] the factional force of a group of people who opposed the party line formulated by the 3d Plenary Session of the 11th CPC Central Committee. During the short period of 20 days, this team investigated a total of 14 major cases, dismissed 9 officials -- including Liu Hui, former director of the office of the county CPC Committee -- and other faction leaders who started their career by taking party in the rebellion, elements of beating, smashing, and looting, and elements who have seriously violated law and order. The team also arrested one criminal. At the same time, it remedied four wrong and misjudged cases. This has greatly pleased the masses of people in the old liberated area, who have suffered deep harm from factionalism and who have happily hailed the achievements of the team and said: "By grasping rectification and correction of defects in earnest, the dark clouds over Yinan have finally been removed!"

In Yinan County, an area that suffered serious destruction during the 10 years of turmoil, some of the leading positions of the organizations directly under the county authorities and the various communes and brigades are in the hands of the factional leaders who started their career by taking part in the rebellion. These leaders stubbornly oppose the line, principles, and policies of the 3d Plenary Session of the 11th CPC Central Committee, viciously attack central leaders in words, and refuse to rehabilitate a large number of wrong, false, and misjudged cases left over by the "Cultural Revolution." Since 1980, many cadres and people in that area have time and again informed the central authorities of this situation and for this they have suffered persecution and punishment from these factional forces. Some of them were wantonly arrested, others were forced to leave their homeland, and still others were deprived of their right to work for a long time, lost what they relied on for their livelihood, and suffered greatly.

RENMIN RIBAO reporters have several times made in-depth investigations in Yinan County in light of what they learned in the letters from the people, and they have published articles in newspapers to expose the evils. Fu Hui and other faction leaders and some leaders of the former county CPC Committee organized basic-level units to write "mass criticism articles," made false reports to the relevant departments of the CPC Central Committee, and calumniated and attacked reporters in words. Some of them even wrote anonymous letters to central leading comrades to vilify the party's current policies. This showed how arrogant they were.

Since the fourth Shandong Provincial CPC Congress in April 1983, there has been the beginning of a change for the better in the situation throughout Shandong Province.

Liang Buting, secretary of the reorganized Shandong Provincial CPC Committee and Shandong governor, and Li Changan, deputy secretary of the committee, visited Linyi Prefecture -- an area that suffered serious destruction in the 10 years of turmoil -- and gave important speeches on the problem of factionalism. Under the support of the new provincial CPC Committee, the Linyi Prefectural CPC Committee sent its deputy secretary, Liu Xingwu, to lead a work team of 14 comrades who had strong party spirit and mass viewpoint and who were evenhanded in doing their work. This work team invited reporters to join them in conducting an in-depth investigation and study in Yinan County.

They dared to deal with the difficult and grasped major and important cases in the light of the problems exposed by letters from the people. This has had great repercussions in the whole county. The vast number of cadres and masses of people sent 253 written accusations to the team. Through investigations, they once more proved that the problems which the masses of people had reported to the leadership for a long time were in the main true and that for some cases, the reports had not fully reflected the seriousness of the problems.

The work team of the prefectural CPC Committee and the new county CPC Committee made prompt decisions on major issues involving the whole country and seriously handled them one by one. First, they weeded out and punished the leaders of rebel groups and the smash-and-grabbers who had sneaked into the leading bodies and who had incurred the greatest popular indignation. Fu Hui, former office director of the county CPC Committee who rose to prominence through rebellion and whom the masses called a "Standing Committee member who was not a Standing Committee member of the county CPC Committee," hysterically vilified the line of the 3d Plenary Session of the 11th CPC Central Committee, put his trusted followers in key positions, and placed himself above the party organization on numerous issues. He even controlled the former principal responsible person of the county CPC Committee, illegally checked and confiscated the letters which were sent to the central authorities to report on the situation, and made false charges against the cadres and masses who were opposed to them. Zu Hongxian, commander in chief of numerous violent struggles during the Cultural Revolution, usurped the post of county bank director and did not relinquish it until a short while ago. Wang Changyu, a factional leader who rose to prominence through rebellion and who was one of the organizers of numerous violent struggles, still seized the authority of the county industrial bureau. The new county CPC Committee gained popular support by resolutely stripping them of all positions, thus opening up the situation in and promoting the work of further weeding out the "people of three categories" from the ranks of cadres and the ongoing institutional reform.

Second, they firmly checked unhealthy trends and evil practices by sternly cracking down on and punishing some cadres who had seriously violated law and order. Wang Zaian, secretary of the party branch of the sixth production brigade of Anti Commune, had long incurred the greatest popular indignation by raping women, but nobody bothered about this. Houzhongtuan Brigade of Jiehu Commune, Youjiabuzi Brigade of Zhuanbu Commune, and Jubu Brigade of Anti Commune were typical examples of the work of the former leaders of the county CPC Committee. Of the principal leaders of the three brigades, some were factional leaders who beat up people and instigated violent struggles in the Cultural Revolution; some refused to institute the production responsibility system despite the strong demands from the commune members but, instead, damaged collective property by indiscriminately felling trees and destroying water conservation facilities; and some behaved so abominably that they ate, drank, and spent extravagantly, gambled improvidently, and beat up people who criticized them. After such cadres were punished, the commune members celebrated the occasion by setting off firecrackers and their enthusiasm for production ran high.

Third, they handled in good time some major unjust, false, and wrong cases left over from the past. Yin Shangming, former leader of Youjiabuzi Brigade, had been criticized and denounced as the "target of class struggle" in the whole country at public meetings on numerous occasions in the early stage of the "Cultural Revolution," and his relatives had also been implicated. He was later sentenced to imprisonment under the charge of "carrying out restorational activities and reversing a correct verdict." On this occasion, he was rehabilitated according to legal procedure. There were numerous unjust, false, and wrong cases of a similar kind. The new county CPC Committee decided to transfer more than 200 persons, who were divided into 19 groups, in order to implement the policy one by one.

In the course of the investigation, the Yinan County CPC Committee ran a study class attended by more than 800 key leading cadres in order to study the spirit of the 3d Plenary Session of the 11th CPC Central Committee and the relevant documents on party rectification, to raise the consciousness of cadres in enhancing party spirit and eliminating factionalism, and to make up for the lesson of setting things to right. A large number of cadres said with deep appreciation: Only by investigating, handling, and sorting out the cases in such a serious manner is it possible to rectify the party organization well.

SU YIRAN ATTENDS SHANDONG FILM PRIZE PARTY

SK020336 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 Jun 84

[Excerpts] On the evening of 1 June, the provincial CPC Committee and the provincial People's Government held a tea party at the Najiao Guesthouse for representatives, guests, and the figures from various circles who came to Jinan to participate in the awards ceremony for the winners of the fourth (Jinxi) Prize issued by the Chinese Film Artists Association and the winners of the seventh Popular Film (Baihua) Prize.

Participating in the tea party were Su Yiran, secretary of the provincial CPC Committee; Lu Maozeng, Li Changan, Li Zhen, and Jiang Chunyun, deputy secretaries of the provincial CPC Committee; Cui Weilin and Xu Shulin, Standing Committee members of the provincial CPC Committee; Wang Jinshan and Wu Kaizhang, vice chairmen of the provincial Advisory Commission; Wang Xhongyin, secretary of the provincial Discipline Inspection Commission; Xu Leijian, vice chairman of the provincial People's Congress Standing Committee; Ma Changgui, deputy governor of the province; Li Zichao, chairman of the provincial CPPCC Committee; Wei Jianyi, secretary of the Jinan City CPC Committee; He Zonggui, deputy secretary of the Jinan City CPC Committee and mayor of Jinan City; Li Yuanrong, chairman of the Jinan City People's Congress Standing Committee; Rao Shoukun, commander of the Jinan Military Region; Chen Renhong, political commissar of the Jinan Military Region; Zhang Zhi, deputy political commissar of the Jinan Military Region; Liu Yude, commander of the provincial Military District; Bai Rubing, Kong Shiquan, and Zhao Lin, members of the Central Advisory Commission; Xia Yan, chairman of the Chinese Film Artists Association; Chen Huangmei, Situ Huimin, Bai Yang, and Yuan Wenshu, vice chairmen of the Chinese Film Artists Association; Ding Qiao, viceminister of culture; and responsible comrades of the departments concerned.

The tea party was presided over by Li Zhen, deputy secretary of the provincial CPC Committee and deputy provincial governor. Amid warm applause, Li Changan, deputy secretary of the provincial CPC Committee, spoke.

WANG FANG REPORTS ON ZHEJIANG PARTY RECTIFICATION

OW030721 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 30 May 84

[Text] According to a report by this station's correspondent (Hong Puyu), the Zhejiang Provincial CPC Committee held a grand meeting this morning of party members who are leading cadres in various organs at the provincial level. Arrangements were made at the meeting for provincial organs to begin the comparison and examination stage in party rectification.

Wang Fang, secretary of the Zhejiang Provincial CPC Committee, urged the principal leading comrades of organs beginning this stage to strengthen their leadership over party rectification and do a good job in comparison and examination work by persistently adhering to the requirements and setting strict demands.

Opening his report to the meeting, Comrade Wang Fang pointed out the importance of making preparations for comparison and examination work.

He stressed that the quality of comparison and examination work in party rectification must be guaranteed, and that existing major problems must be solved in a down-to-earth manner. He said the following common problems must be solved with earnest efforts

1. It is necessary to systematically eliminate errors and totally negate the Great Cultural Revolution. In Zhejiang, totally negating that revolution still remains a big issue which will take further efforts to resolve. The Great Cultural Revolution, initiated erroneously by its leader and used by counterrevolutionary cliques to serve their purposes, was a state of domestic turmoil that brought about serious disasters to the party, the country, and the people.

Factionalism provides the soil in which unhealthy tendencies in the party grow. To uproot factionalism and strengthen unity we must totally negate the Great Cultural Revolution. We should clearly understand that the two factions in that revolution were the products of the erroneous left tendency. Following the January Storm, they tried to rebel and usurp power. Neither of them represented the correct line.

The great majority of those who joined these two factions during the Cultural Revolution were good people, while only a few of them were villains. A concrete analysis should be made on the specific actions of each and every one of them.

While totally negating the Cultural Revolution, it is imperative to thoroughly and completely repudiate factionalism. Only thus can the comrades unite on the basis of party spirit and work with one heart and one mind to promote the four modernizations.

2. We must demonstrate our revolutionary spirit, continue to emancipate our minds and accelerate the pace of reform. The current party rectification process is bound to enhance the comrades' political awareness, give energy to their work, and strengthen their mental attitude. It will help the party members to firmly establish the concept of serving the needs of the grassroots level, production, and reforms -- the idea of serving the people -- to that they will become vanguards filled with vitality, and our party will become the command headquarters directing the four modernizations.

3. It is imperative to check various acts of seeking personal gains by taking advantage of one's power and position, and to oppose the bureaucratic attitude of not holding oneself responsible to the party and people. The malpractice of seeking personal gains by taking advantage of one's power and the unhealthy tendencies of the bureaucracy have greatly impaired our party's image among the people and hindered our socialist construction. We must resolutely check the misdeeds of using personal relations to seek employment for relatives and friends and investigate and sternly handle cases of huge economic losses to the government or the collective caused by bureaucratic irresponsible attitude. It is necessary to continue to solve the problem of occupying excessive housing space and violating discipline on housing construction while persisting in the struggle against serious economic criminal activities.

4. We should improve democratic centralism and increase the fighting strength of leading groups.

Concluding his report, Comrade Wang Fang said that the key to successfully preventing the current party rectification from proceeding perfunctorily is to persist in setting high and strict demands and do a good job in comparison and examination work. He urged the principal leading comrades from the organs undergoing party rectification to concentrate their main energies on promoting the party rectification work in the days to come, hold heart-to-heart talks among the comrades, create a good democratic atmosphere and correctly use criticism and self-criticism as a weapon.

He called on them to step up the process of correcting wrongdoing while carrying out rectification work during the stage of comparison and examination, to move quickly to clear the party ranks of three types of persons, to proceed with the work of building the third echelon, and to make good preparations for the next stage of taking organizational measures toward party members and beginning party members' registration.

KUOMINTANG SPECIAL AGENT ARRESTED IN ZHEJIANG

OW030839 Hangzhou Zhejiang Provincial Service in Mandarin 1030 GMT 1 Jun 84

[Text] The Zhejiang Provincial State Security Department, the Jinhua Prefectural Public Security Department, and the Longyou County Public Security Bureau, working in close coordination, recently cracked a Kuomintang spying case in Longyou County and arrested Kuomintang special agent (Qian Guoguang). After graduation from a junior middle school, (Qian Guoguang) loved ease and money, hated work, admired bourgeois style of life, and thus became dissatisfied with the CPC and the socialist system.

In February 1983, he established contacts with the Kuomintang spying organization through his relations in Hong Kong. He reported to enemy agents the situation of rural reform and economic construction in Longyou County and sought financial assistance from them. In November 1983, the Kuomintang spying organization in Taiwan formally recruited him as its agent, gave him special agent training, assigned him a code name, and mailed him money and materials from Hong Kong. After receiving the money, (Qian Guoguang) wantonly carried out spying activities and reported our important military intelligence to enemy spying organization. The Zhejiang Provincial State Security Department, the Jinhua Prefectural Public Security Department, and the Longyou County Public Security Bureau, after a thorough investigation, discovered all his spying activities and evidences. With the approval of the people's procuratorate, they arrested (Qian Guoguang) according to law and found the evidence of his spying activities in his house.

BU HE GOVERNMENT WORK REPORT URGES REFORM

SK030157 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 1 Jun 84

[Text] In his government work report, Comrade Bu He said: In order to eliminate the blockade regions and to clear the blockade between urban and rural areas, we must reform the system of circulation.

1. We should divide the relations between production and marketing and change the old system of monopoly for purchasing and marketing. We can also carry out various flexible forms of integrated business between the state and the commune, industry and commerce, second-level and third level wholesale departments and [words indistinct] besides the ways for state monopoly for purchasing and marketing, purchasing and marketing in a planned way, placing an order for goods in advance, and marketing goods for the state on a commission.
2. We should better balance the relations between purchases and marketing. We can place an order for chosen commodities in various ways except for the commodities [words indistinct] under state plans so as to extensively make marketing directly serve production and reduce the levels and links between production and marketing.
3. We should better balance the relations between administration and the enterprises. We should transfer power to the enterprises. Administrative units should supervise the implementation of policies.
4. We should relax the policy restrictions on management targets. On the premise of persistently relying on state-owned wholesale commerce, collectively-owned units and individual peddlers may engage in wholesale trade within their own assigned limits.
5. We should extensively set up organizations, enthusiastically create conditions for building trade centers, pioneer markets, clear channels for circulation, enliven the material exchange between urban and rural areas and among regions, and link the new circulation system with the economic organizational functions of key cities.

With regard to construction trade reform, Comrade Bu He said: Construction trade should carry out a contract system, reform the method of using administrative measures to distribute construction tasks, carry out an investment and contract system and a contract system of inviting tenders, advocate competition between regions and state, collective, and individual enterprises, and [words indistinct]. Material departments directly supply materials for construction units. The units undertaking construction projects should contract for the construction period, construction quantity, materials, and designs of the projects. Construction trades themselves should carry out various forms of contract responsibility systems, including piece rate wage, floating wage and [words indistinct]. The distribution of wages and bonuses should be related to the economic results of the enterprises. As for the system of employing workers, we should carry out the principle of fixed workers playing a dominant role and contract, temporary, and rotating workers playing a supplementary role so as to eliminate the tendency of everybody eating from the same big pot and iron rice bowl among construction trades over a long period of time, to change the feature of the enterprises, and to raise the return on investment.

In his government work report, Comrade Bu He stressed: Enthusiastically developing the technological cooperation with foreign countries and outside regions is an urgent and long-term task for promoting our region's economic construction.

He said: We must further emancipate our minds, eliminate the influence of "leftist" ideology and the idea of closing the region to international intercourse and carry out an open-door policy to create a new situation of opening up to the outside world.

In line with the principle of equality and mutual benefit, we should take various forms of preferential policies to import foreign funds and advanced technology. We should concentrate import foreign funds and advanced technology on the development of natural resources and especially energy resources, the transformation of old enterprises, technological innovations, agricultural, livestock and forestry production, and on modernization. Foreigners and Overseas Chinese are welcome to invest in our region to run various enterprises. We should establish friendship ties with foreign countries in a step-by-step manner, launch foreign affairs and tourist activities, build ties of friendship, upgrade our science and technology, learn their management experience, and expand contacts in many fields. We should further develop external economy and trade and frontier small trade and widely open up the channels for enlivening the economy.

We should continue to consolidate and develop the economic integration with brotherly provinces, cities, and autonomous regions and conduct various forms of technological cooperation at different levels. All leagues, cities, banners, counties, and enterprises are allowed to import foreign funds, advanced technology, and specialized talents and to work out special preferential methods. The units may possess most or all of the material benefits gained from importing foreign funds and advanced technology in line with local conditions.

We should strengthen the economic contact work among our region's offices stationed in Beijing, Tianjin, Shanghai, and Guangzhou and carry into full play the role of offices as a door opening up to the outside world. These offices should timely grasp information, act as a go-between, and enthusiastically and actively serve the work of linking the cooperation in and outside the region.

In his government work report, Comrade Bu He called for further easing policy restraints to develop rural and pastoral commodity production. He said: In order to develop the existing new situation further in rural and pastoral areas, we must comprehensively implement the principle of relying on agriculture and animal husbandry to develop a diversified economy, stabilize and perfect various forms of the systems of contract responsibility with payment linked to output, and enthusiastically expand commodity production.

Various forms of specialized and key households and economic integrated bodies are advanced productive forces of rural and pastoral areas as well as key forces to develop commodity production. Governments at all levels and industrial and communications, financial and trade, scientific and technological, material supply, and credit departments should politically protect the specialized and key households and economic integrated bodies, soften their policy restraints, offer technology, and give economic support. We should conscientiously follow the principle of never ignoring the grain production and enthusiastically run food and forage processing enterprises and building material enterprises, and gradually set up a perfect system of serving commodity production.

With regard to the issue of commodity circulation, Comrade Bu He said: We should further readjust and relax the policy of purchasing and marketing products, reduce the variety of products under state monopoly for purchasing, improve the ways for marketing, and consciously solve the problems of rural and pastoral areas having difficulties in purchasing and marketing. We should develop urban and rural and fair trade and promote the commodity exchange activity between urban and rural areas. State, collective and individual producers, and businessmen may sell the surplus agricultural, sideline, and industrial products at trade fairs and other regions after they have fulfilled the unified procurement plans. They may change the prices of their surplus products.

Peasants and herdsmen may run business and enterprises in cities. We should carry into full play the rule of supply and marketing cooperatives as a key channel for commodity circulation in rural and pastoral areas. We should firmly attend to the reform of supply and marketing cooperatives system. We should concentrate on changing the runner of supply and marketing cooperatives from the state to the peasants, make the cooperatives like mass organizations, carry out democratic management among the cooperatives, and take flexible measures to manage the supply and marketing cooperatives.

ECONOMIC, SOCIAL DEVELOPMENT DRAFT PLAN REPORTED

SK020454 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 1 Jun 84

[Text] The second session of the sixth regional People's Congress continued on 1 June. The session listened to the report on the 1984 economic and social development draft plan by (Tu He), vice chairman of the regional Planning Committee, and the report on the 1983 financial account and 1984 budget draft plan by (Li Jingquan), director of the regional Financial Department. The session was presided over by Li Wen, executive chairman of the session. The session was attended by 664 deputies. Seated in the front row on the rostrum were executive chairmen, including Zhou Hui, Seyinbayar, (Yang Zhicai), (Zhu Baozhang), (Boyan Ocmuhe), (Jia Bianying), and (Alin).

(Tu He) reported the results of implementing the 1983 plan and the arrangements of the 1984 plan. He said: The region successfully realized the 1983 economic plan. The region reaped bumper agricultural harvests. The rural and pastoral economy became more prosperous than ever before. Our industrial production continued showing substantial increases. The industrial economic results improved. The structure of the investments in fixed assets improved. Urban and rural markets were brisk. We had an ample supply of commodities. Revenue increased fast. Scientific, educational, cultural, and sports undertaking developed further. The livelihood of urban and rural people improved further.

(Tu He) said: The main tasks of the region's 1984 economic and social development are as follows: Centering on reforms, we should more comprehensively implement the principle of readjusting, restructuring, consolidating, and improving. While attending to rural reform, we should vigorously accelerate the pace of urban economic reform, attach importance to raising economic results, and continue the stable growth of the economy. In his report, (Tu He) also talked about the general outline of various specific tasks and principal targets of this year's plan.

Then, (Li Jingquan) delivered a report on the 1983 financial account and 1984 budget draft plan. He said: The region's revenue in 1983 set a record. Revenue and expenditure balanced thanks to the previous year's surplus, subsidies of the central authority, and the subsidies for special projects.

He said: The principle of our region's financial budget arrangements in 1984 is to continue implementing the principle of readjusting, restructuring, consolidating, and improving the national economy and to rely on forestry and livestock production to develop a diversified economy that will enthusiastically support the reform of urban economic system, to balance the various sectors of the economy better, to enliven commodity circulation by centering on raising the economic results, to develop production vigorously, to increase income, to support and promote the technological transformation among the enterprises enthusiastically, to develop rural commodity production, to develop cultural, educational, scientific and public health undertakings, to pay equal attention to accumulation and expenses, to continue raising the material and cultural livelihood of urban and rural people, to reform the financial and tax systems further, to strengthen financial management and supervision and to ensure a satisfactory fulfillment of financial revenue and expenditure budget plan.

The session also approved the election regulations of the second session of the Sixth Provincial People's Congress.

Attending the session as observers were responsible persons of the Regional CPC Committee, the Standing Committee of the Regional People's Congress, the regional government, and relevant departments and members participating in the second session of the Fifth Regional CPPCC Committee. Group discussions were held in the afternoon.

Zhou Hui on Reform

SK040530 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 Jun 84

[Text] On 2 June, while speaking at the Hohhot City group discussion, Zhou Hui, deputy to the regional People's Congress and first secretary of the regional CPC Committee, stressed the necessity to seize every minute and try every possible means to double the 1978 regional industrial and agricultural output value in 1987, the year before the 3d plenary session of the 11th CPC Central Committee, so as to lay a solid foundation for quadrupling the regional industrial and agricultural output value by the end of this century.

Comrade Zhou Hui said: In his government work report, Comrade Bu He set forth this glorious task which can be fulfilled only when we promptly pay attention to key measures and work hard in a down-to-earth manner. Hard work makes it possible for us to fulfill this arduous and glorious task. What should we depend on to fulfill this task? First, we should depend on reform, renovation, and tapping potential and second, depend on opening to the outside world. In reform, efforts should be concentrated on the urban areas at present. The reason why rural areas have become prosperous over the past few years is that they have carried out reforms, instituted contract systems and basically eliminated the practice of eating from a big common pot. Now, the reform must be carried out in urban areas? If urban areas refuse to carry out reform, not only can they not become prosperous, but they will also be a hindrance to rural areas and hamper the work of opening to the outside world. The core of urban reform is to streamline administration and transfer power to enterprise. We must resolutely, gradually, and expeditiously streamline and restructure the economic and administrative management organizations and thoroughly eliminate such defects as failure to separate government work from enterprise and the government organizations making everything of enterprises theirs. We should give more decision-making powers to enterprises and resolutely overcome the situation in which responsible persons of enterprises have no power and right to handle affairs. We should fully mobilize the enthusiasm of workers and staff members and eliminate the practice of eating from a big common pot. We should tap potentials on this basis.

Nei Monggol has great potential and rich mineral resources. The major problem is the tension of communications and transport. We should tap our internal potentials on the basis of the existing foundation. For instance, we should work out methods to exploit the natural resources and industrial superiority in Baotou, Wuhai, and Fengzhen, to exploit the superiority of war industrial enterprises, to give full play to the favorable conditions of the Hetao area and Tumd Banner, to utilize the energy resources of Huang He, and to make the best use of coal, power, and timber resources and the great live-stock industrial potential in Chifeng, Ulanhot, Tongliao, Hailar, Fengzhen, Jining, Xilin Hot, and Jalaid. The region also has great potentials in developing agriculture, animal husbandry, forestry, processing industry and, town and township industry. These potentials should be urgently tapped.

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PRC REGIONAL AFFAIRS
NORTH REGION

Opening to outside places means to cooperate economically and technologically with foreign countries and with places outside the region. This is an important, urgent, and long-term task for promoting regional economic construction. We should open to outside places and import foreign capital. Our region has vast territory and rich natural resources, but our funds are insufficient and technology backward. It is impossible to totally depend on state funds to develop the economy. We should strive to open to outside places as soon as possible. By no means should we fear that we are regarded as worshippers of foreign things. Import of foreign capitals is a patriotic policy which can make our country powerful and our people prosperous. In this regard, we should overcome the leftist influence and the idea of closing the country to international intercourse and should completely liberate ourselves from the situation of being complacent and conservative.

LI LIAN ATTENDS HEILONGJIANG CHILDREN'S DAY EVENT

SK020225 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 1 Jun 84

[Excerpts] On the morning of 1 June, more than 30,000 young pioneers and children in Harbin and from other places in the province gathered in the beautiful Children's Park for the Children's Day celebration.

At 0830, Li Lian, secretary of the provincial CPC Committee, Wang Zhao, secretary of the Harbin City CPC Committee, and other provincial and Harbin City leaders joined the children to participate in the opening ceremony for the Shaoxian Children's Train. Comrade Li Lian, secretary of the provincial CPC Committee, cut the ribbon at the opening of the train.

Also attending the celebration today were 350 retired veteran cadres, juvenile workers, and more than 100 foreign friends in Harbin.

JILIN ISSUES NEW WOMEN'S PUBLICATION 1 JUN

SK021308 Changchun Jilin Provincial Service in Mandarin 2200 GMT 1 Jun 84

[Excerpts] SHIDAI JIEMEI, [SISTERS OF THE TIMES] a women's publication sponsored by the provincial Women's Federation, formally started publication on 1 June. SHIDAI JIEMEI is a comprehensive monthly magazine and stresses on ideology, knowledge, practical use and interests.

The first issue of this magazine carries an inscription by Qiang Xiaochu, first secretary of the provincial CPC Committee, and a foreword to the monthly by Liu Jingzhi, secretary of the provincial CPC Committee.

QIANG XIAOCHU VISITS JILIN AGRICULTURAL ACADEMY

SK020628 Changchun Jilin Provincial Service in Mandarin 2200 GMT 1 Jun 84

[Text] In a recent trip to the provincial agroscientific Academy in (Gongzhuling) to visit the scientists working hard on the agricultural production front year in and year out, Qiang Xiaochu, first secretary of the provincial CPC Committee, said: At present, the bottlenecks hampering the implementation of the party's policy towards intellectuals are the ideological problems and the yoke of outmoded rules and regulations. To implement the policy towards intellectuals successfully and promptly, we must stamp out outmoded conventions and regulations with the spirit of reform.

When Comrade Qiang Xiaochu inquired about the study, living and work situations of scientific research personnel, a responsible person of the agroscientific academy answered that the improved varieties of corn researched by our scientific research personnel have made corn output increase by 20 to 30 percent and have played an important role in increasing the provincial grain production. However, the higher authorities only issued us a certificate of merit. Having heard this answer, Comrade Qiang Xiaochu immediately expressed: Only giving spiritual encouragement is unreasonable and the moral encouragement and material reward should be combined. Agroscientific research personnel have made outstanding contributions to increasing the provincial grain output and thus should be given material rewards. The provincial departments concerned should map out measures to implement the bonus system as early as possible.

When Comrade Qiang Xiaochu found that the library of this academy was narrow and small and have long been out of repair, which have already affected the scientific research work, he asked the leader of this academy why he did not try to solve this problem.

The leader answered: We have long tried to repair our library, but our funds have been insufficient. Every year, we must deliver all the 700,000 yuan of our income to the state in line with the provincial stipulations. Then Comrade Qiang Xiaochu said: In light of your practical problems, I will consider canceling your delivery of income to the state this year and all this money can be used to repair your library.

After Comrade Qiang Xiaochu returned to his office, he discussed his suggestion with the comrades of the provincial CPC Committee in charge of this work and then this suggestion was adopted. As a result, the problem, which could not be solved for many years, has now been solved.

GUO FENG EXAMINES LIAONING CPC COMMITTEE WORK

SK310436 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 30 May 84

[Text] At the enlarged Standing Committee meeting of the provincial CPC Committee which now being held, Guo Feng, first secretary of the provincial CPC Committee, made comparison and examination on the work of the provincial CPC Committee and put forward his opinions for the future work on behalf of the provincial CPC Committee.

Comrade Guo Feng said: The provincial CPC Committee maintains that over the past few years, our province has maintained unanimity with the CPC Central Committee in upholding the party's four basic principles and in implementing lines, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee and the general task and goal set forth by the 12th CPC Congress; the provincial economy has embarked on a sound path of steady growth; and a good situation in which the people work for reforms and the commodity economy flourishes has emerged across the province.

On the basis of affirming achievements, Comrade Guo Feng emphatically examined the problems of the provincial CPC Committee in implementing the general task and goal set forth by the 12th CPC Congress and in the fields of party leadership and party building.

Comrade Guo Feng's comparison and examination contains three parts. In the first part, he made examination in line with the demands raised by the 12th CPC Congress with regard to creating a new situation in all fields of socialist construction. He said: Our province's backwardness has manifested itself in the slow development of production, poor economic results, the unadaptability of scientific and educational work, the poor competitive capacity of products, the failure to give full play to the province's role, and the failure to make full use of our province's resources to make due contributions.

He said: The fact that some other provinces and cities in our country have made rapid progress in their economy makes us come to see the necessity to admit our backwardness and to acknowledge that the backwardness has resulted from our erroneous subjective viewpoints. First, in ensuring the implementation of the general goal, we have not done a good job in taking the whole situation into account and in making overall planning. Second, we have not exercised effective leadership in implementing the principle of opening to the world and enlivening the domestic economy. Third, we have failed in implementing the principle of economic construction relying on the progress of science and technology and science and technology serving the economic construction, and have achieved limited results in technological transformations. Fourth, we have had a lopsided view on the principle of taking the state-run economy as the dominant factor and on the situation of developing various economic forms, and have not done enough in developing the collective economy. Fifth, we have paid insufficient attention to the spiritual civilization while simultaneously upholding the principle of building two civilizations.

In the second part of his comparison and examination, Comrade Guo Feng made examination from the high plane of building the party into a firm core of leadership in building the four modernizations. He said: Viewing the problems existing in our province's economic and social development, the leadership of the provincial CPC Committee and the party building is far from meeting the demand of the party's general task for the new historical stage. The party's ideological education, organizational construction, and leadership style have not been totally shifted to the construction of the four modernizations. We have failed to fully emancipate our minds and to eliminate the leftist influence. Insufficient attention has been paid to overcoming the practices of blind self-satisfaction, standing still and refusing to make progress, being too steady in work, having no courage and insight, being weak and listless, being lax in discipline, being bureaucratic in doing things, and failing to implement policies.

On the basis of conducting comparison and examination, Comrade Guo Feng raised some opinions for improving the future work in realizing the general task and goal set forth by the CPC Central Committee and in creating a new situation in all fields at Liaoning's work. He said: The provincial CPC Committee maintains that, in line with the forecast and analysis of the development of the provincial situation, it is totally possible for us to prefulfill the strategic goal set forth by the 12th CPC Congress, the goal of quadrupling the provincial industrial and agricultural output value, and the goal of enabling the people to live comfortably. To this end, we must set different goals and priorities for the development of different localities. The specific steps are: With Dalian and other coastal cities as the showcase, we will build a forward position for opening to the outside world. With Shenyang and other big cities as the center, we will build a modernized industrial base in which the coordination along specialized lines and various kinds of integration are organized. With Liaohe Plain and the suburban areas of large and medium cities as the key link, we will build the bases for producing marketable grain and nonstaple food. With the eastern, western, and southern parts of the province as the focus, we will build bases for producing fruits and local and special products and for developing forestry and animal husbandry. With the 2,000-km-long seashore as the main area, we will build the bases for developing marine and coastal resources. With the assistance from scientific research units in various big and medium cities and from various universities and colleges, we will build many scientific research bases having comprehensive and specialized functions. At the same time, efforts will be made to rationalize the development of agriculture, light industry, and heavy industry, to increase production, efficiency, and revenue at the same pace, to accelerate comprehensively the economic, scientific and technical, and social development, and to build Liaoning into an open and comprehensive economic zone of Northeast China and of the whole country.

Comrade Guo Feng said in conclusion: To ensure the realization of the fighting goals and the abovementioned plans, we must strive to accelerate the modernizations drive in line with the spirit of working hard for prosperity, vitalizing Liaoning and serving the whole country and the world, and we must adopt the eight-character measure of reform, opening, renovation, and exploitation, that is, adhering to reforms, relaxing policies, enlivening the economy, opening to the outside world, broadening the international and domestic markets, equipping and renovating the traditional industry with new science and technologies, and fully tapping and exploiting the existing potential to develop the natural and intellectual resources vigorously.

BEIJING RADIO DISCUSSES POLICY TOWARD TAIWAN

OW011107 Beijing in Mandarin to Taiwan 0130 GMT 29 May 84

["Forum on State Affairs" program]

[Excerpts] Dear listeners: Some friends may have already noticed that Premier Zhao Ziyang, in his government work report at the second session of the Sixth NPC, talked about the return of Taiwan to the motherland and China's peaceful reunification. He reiterated that after the reunification of the motherland, Taiwan and the mainland may implement the policy of one country, two systems. This has aroused the attention of our compatriots in Taiwan and has become a cause of concern among Taiwan's authorities. Of late in Taiwan, both our compatriots and personages in various circles have become very concerned about the question of coexistence of two different systems under the same roof. Many people have misgivings about this policy. They have asked many questions and hope to hear my views. For instance, how can socialist China permit the maintenance of a capitalist system in Taiwan and Hong Kong? Can two sharply contrasting systems long coexist in the same country? Is it just an expedient measure to allow Taiwan to maintain a capitalist system? Will all this suddenly change after reunification? I would like to join my friends in discussing these questions by offering my own superficial views.

In his government work report, Premier Zhao Ziyang said that proceeding from our basic national interests and in view of our historical experience and Taiwan's reality, we have put forward the idea of one country, two systems to be implemented after reunification. I feel that what Premier Zhao Ziyang has said quite clearly answers the questions put forth by our Taiwan compatriots and explains the reasons for permitting Taiwan and Hong Kong to maintain a capitalist system.

1. The implementation of the idea of one country, two systems after China's reunification is based on the nation's basic interests. We know that some compatriots disapprove of the socialist system, but they are also patriotic. Because of their national feelings and patriotism, they support the return of Taiwan to the motherland and the realization of peaceful reunification. Some compatriots have misgivings about the socialist system. They advocate peaceful competition between Taiwan's capitalist system and mainland China's socialist system after reunification to see which is better and which wins the people's support. These compatriots' views are understandable. On the question of the return of Taiwan to the motherland and the peaceful reunification of China, we share a common ideological basis with an overwhelming majority of our Taiwan compatriots and personages in various circles, and we can surely find a common language.

2. The implementation of the one country, two systems idea after the motherland's reunification is based on historical experience. From both the ideological point of view and past experiences, as long as a national exists, it always has two or more economic systems coexisting. But one system always occupies the dominant position and dictates the nation's social nature.

3. The implementation of the one country, two systems idea after the motherland's reunification is also out of respect for the actual conditions on Taiwan. The Chinese Government has time and again stressed that in solving the Taiwan question, it promises to respect Taiwan's real situation and the opinions of the people and the authorities of Taiwan and will adopt reasonable policies that will not bring any losses to Taiwan. Because of historical or immediate reasons, a considerable number of people on Taiwan do not want Taiwan's socialist and economic systems and their life styles to change after reunification. The idea of one country, two systems is precisely based on considerations for these compatriots' views and interests as well as Taiwan's actual conditions.

From the above, one can see that the idea of one country, two systems is not an expedient measure but a major state policy that has taken into consideration the basic interests of the nation and its people and meets Taiwan's actual needs. Such being the case, how can this policy be changed overnight? Some people have asked: Does the Constitution not clearly stipulate to uphold the four basic principles? In Article 5 of the Constitution, does it not state that any law or regulation should not contravene the Constitution? Do these stipulations not prevent China from allowing Taiwan and Hong Kong to realize autonomy and implement the capitalist system? I think these views are a misunderstanding of the Constitution. The Constitution is our nation's basic law. It stipulates the implementation of a socialist system in China. However, this only refers to the nature of our nation's basic law. It stipulates the implementation of a socialist system in China. However, this only refers to the nature of our nation and does not interfere with the exercise of autonomy or the maintenance of the capitalist system in Taiwan and Hong Kong according to their own particular conditions after reunification.

Article 31 of the Constitution stipulates the establishment of special administrative areas. After the reunification of the motherland, a basic law on special administrative areas based on Article 31 will be formulated after serious, extensive, and thoroughgoing discussions. This basic law will guarantee by legal power the implementation of two different systems in China and will be added to the Constitution as an appendix or supplement. The law can be completely trusted by the people of the whole country and all the nations of the world. We have every reason to believe that the Chinese Communists' policy is completely honest and sincere.

Some friends may ask, when will the policy for establishing special administrative areas in Taiwan and Hong Kong allowing them to maintain the capitalist system be changed? Premier Zhao Ziyang, in his government work report, clearly stated that after China recovers its sovereignty over Hong Kong, the series of policies concerning Hong Kong will not change for 50 years. Although Premier Zhao Ziyang has not yet said anything in this regard concerning Taiwan, I think the duration will be no less than 50 years. As for what will happen after 50 years or longer, we should not have to draw up blueprints for the social systems of Taiwan and Hong Kong of our future generations. We should have faith that our descendants will surely make wise decisions according to future conditions and the wishes of the people at that time.

COMMENTARY DENIES CPC SUPPORTS TAIWAN INDEPENDENCE

HK030046 Beijing ZHONGGUO XINWEN SHE in Chinese 0841 CMT 2 Jun 84

[Commentary by ZHONGGUO XINWEN SHE reporter Chen Guoshao: "The So-called 'CPC Supports Taiwan Independence' Is a Pack of Nonsense"]

[Text] Beijing, 2 Jun (ZHONGGUO XINWEN SHE) -- Recently, Taiwan KMT personages have aired the view that "the CPC supports Taiwan Independence and makes use of the Taiwan independence movement to strike blows at the KMT." Some people abroad have also half-believed this, thinking that the CPC has supported Taiwan independence overtly or covertly. It is necessary to clarify these rumors. If we let them spread unchecked, they will obstruct the historical process of the peaceful reunification of the motherland. The so-called "the CPC supports Taiwan Independence" is actually a pack of nonsense. The fact is that since the CPC assumed power, it has always persisted in opposing "two Chinas" and "Taiwan independence." It has opposed division and done its utmost for the reunification of the motherland.

Before 1979, at various meetings or forums held every year to commemorate the "28 February" incident in Taiwan, responsible persons of the CPC and democratic parties always accused foreign forces of colluding with a handful of national scum in Taiwan to carry out activities of creating "two Chinas," "One China and one Taiwan," or "Taiwan independence." The joint communiques on the establishment of diplomatic relations between China and the United States, between China and Japan, and between China and some other countries stress without exception that "there is only one China and Taiwan is part of China." These have demonstrated China's principled stand of opposing "two Chinas," "one China and one Taiwan," and "Taiwan independence." On new year's day 1979, the NPC Standing Committee issued a "message to the compatriots in Taiwan." The message pointed out: "We place our hope on the 17 million people in Taiwan and the Taiwan authorities. The Taiwan authorities have unswervingly persisted in upholding the stand of one China and of opposing Taiwan independence. This is our common stand and the basis for cooperation." On new year's day 1980, Deng Yingchao delivered a speech at a new year tea party of the CPPCC. She said: "Taiwan must return to the motherland. We resolutely oppose the tricks of 'one China and one Taiwan' and 'Taiwan independence' in all forms." In her speech delivered at the CPPCC's 1984 new year tea party, Deng Yingchao further pointed out: "A handful of people in Taiwan are carrying out activities of the so-called 'Taiwan independence.'"

This runs counter to the will and interests of the people in Taiwan, and the interests of the reunification of the motherland and the unity of nationalities. As for relations between Taiwan and the mainland, unity brings stability, while division causes dangers. This is a cardinal principle concerning our nation's interests as well as an objective truth known to all. The Chinese people on both sides of the Taiwan Strait have been separated for dozens of years. At this late hour, anyone who persists in obstructing the country's reunification will be unworthy of both his ancestors and his descendants." This was the most severe criticism of the Taiwan independence movement by a CPC leader in recent years.

In her speech, Deng Yingchao also directly stressed: "The headquarters of the 'Taiwan independence movement' is located in the United States. Some people with power and influence in the United States have openly supported 'Taiwan independence' activities, thinking that they have Taiwan in their pocket. Acts such as these are obviously a gross insult to the people in Taiwan, and it is also worth pondering whether they forebode fortune or disaster for the future of the Taiwan authorities." In his report on government work delivered at the recently concluded sessions of the NPC and the CPPCC, Zhao Ziyang also pointed out: "We appreciate words and deeds of the Taiwan authorities which benefit contacts between compatriots on both sides of the Taiwan Strait, the enhancement of understanding, and the reunification of the motherland." He reiterated: "No conspiracies aimed at splitting China will ever succeed." All these have shown that the CPC supports all words and deeds which oppose division and uphold the reunification of the motherland. The CPC will never tolerate any conspiracies aimed at splitting the motherland, such as the "Taiwan independence" movement and others.

Actually, since the CPC assumed power over the past 30 years or so, it has devoted itself to the great cause of the reunification of the motherland. It has carried out struggles against the trick of "two Chinas," "one China and one Taiwan," and "Taiwan independence." The view that "the CPC supports Taiwan independence" is no different from saying that "the CPC has given up its objective of the reunification of the motherland." Obviously, this is absurd and ridiculous, and not worth refuting.

It is also groundless to say that "perhaps the CPC overtly or covertly supports Taiwan independence" by citing evidence of CPC personnel contacting personages abroad who are inclined to Taiwan independence. Contacts with personages inclined to Taiwan independence are not tantamount to approval of such ideas, but are precisely for exchanging views and persuading them to change their minds. As Deng Yingchao said at a forum on unification held by women's circles in Beijing on 3 March 1980: "Viewed from its wording, 'Taiwan independence' is against unification of the motherland because it divides the motherland and the people. That is why we are against 'Taiwan independence.' Nevertheless, we are willing to exchange views with those who maintain Taiwan independence and to invite them to visit the mainland." It is quite obvious that to "exchange views" and "invite them to visit the mainland" here are aimed at increasing understanding, dispelling misgivings, and persuading them to change their minds. It does not mean encouraging them in pursuing Taiwan independence.

As it known to all, the Taiwan compatriots have suffered from colonial domination by imperialism for a long time in the past and they have the strong desire to be real masters of the country. Since Taiwan was returned to the motherland in 1945, due to the confrontation between the CPC and the KMT, Taiwan has been separated from the mainland for more than 30 years. Although the Taiwan compatriots are discontented with the current political situation in Taiwan, they lack understanding of the mainland. Therefore, they wonder about and feel disappointed with the future of Taiwan. Under such circumstances, some people have illusions and are inclined to "Taiwan independence" owing to the deceptive propaganda made by international forces and a handful of elements in Taiwan who have ulterior motives. Such a predicament and state of mind are understandable. It is precisely for this reason that the CPC is willing to contact with these people so as to conduct persuasion and education work, unite with them, and enable them to understand and support the principle of the CPC on peaceful reunification and to remove all the obstacles that interfere with the peaceful reunification of the motherland. Therefore, it is a gross deception to regard such effort made by the CPC as "supporting Taiwan independence."

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